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COMMERCE AMERICA

U.S. Department of Commerce / May 22, 1978

California Leads Export Parade

The Census Bureau And Trade Statistics— Part Of A Long Tradition

Some of the newest things in American life are combined in this issue with one of the oldest. The featured article concerns U.S. manufactured exports. Much of this flow of goods to the world represents high technology and the latest state-of-the-art in all fields. The process of recording the flow, on the other hand, goes back to the first days of the nation.

Transmitting the new state-by-state export totals to the business public has given the Commerce Department's Census Bureau this occasion to remind that America's foreign trade statistics go back to 1789, when the Federal Government embarked on a program to compile statistics on "foreign commerce and navigation." The data were obtained from annual reports submitted to the government by the collectors of customs.

Records of the total value of imports for the years 1790 to 1820 are fairly complete but do not show, except for a few years, the kinds of articles imported. However, they do show exports by articles, but do not distinguish the values of merchandise from coin and bullion imported and exported, nor the value of commerce with each country.

An 1820 law sought to obtain accurate statements on the foreign commerce of the U.S. It established a Division of Commerce and Navigation in the office of the Register of the Treasury, while requiring collectors of customs to compile detailed trade reports.

The Civil War introduced special difficulties. For cotton exports from the South, the Treasury Department had to make estimates based on records of the main recipient countries in Europe. In 1862 when the U.S. abandoned specie backing for its money, the dollar fluctuated against foreign currencies and gold with each success or reverse of the Federal forces. Imports and reexports continued to be valued in dollars of fixed gold parity, but domestic exports were recorded in "mixed values"—partly gold dollars and partly dollars of fluctuating value—until the resumption of specie payment in 1879. Wartime has, indeed, been a time of extraordinary difficulties for the compilers of foreign trade statistics. World War II, for a recent example, brought the complications of lend-lease, surplus property disposal, and humanitarian, economic and military assistance shipments.

A Bureau of Statistics was established by Congress in 1866 in the Treasury Department with the mandate to compile the comprehensive figures that are now found in U.S. foreign trade data. Since that time, monthly statistics have appeared.

In 1923 the task of compiling foreign trade statistics was transferred to the Commerce Department (which had been publishing them since 1903). In 1941 this function was shifted within Commerce from the Bureau of Foreign and Domestic Commerce to the Census Bureau.

The Bureau now feeds foreign trade data gathered from Shipper's Export Declarations and from import entries into a modern computer-based collection system.

Virtually every facet of America's import and export trade is covered in one or more of the Census Bureau's regular monthly or annual foreign trade reports. In bulk, the number of pages of these statistics issued by the Bureau's Foreign Trade Division in the off-census years exceeds the output of almost every other division at the Bureau.

Most of the Census Bureau's foreign trade data are for the United States as a whole; for example, those in the story on page 7. However, the Bureau also issues data for states as well, as is illustrated on page 2 of this issue by the story on the origin of exports from American manufacturing firms on a state-by-state basis.

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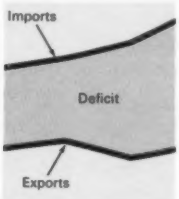

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LEADERS' FLAGS—Represented from the top down are the 1976 manufactured exports standouts: California, Michigan, Illinois, Ohio, New York and Texas.

California Leads Export Parade

California now leads all other states in exporting manufactured goods. A new compilation by the Census Bureau gives that state a wide margin over No. 2 Michigan, while Illinois follows closely in third place.

These standings, which cover 1976 totals, represent a change from the last previous compilation, for 1972, when Michigan was first, followed by Ohio and Illinois.

California took the lead in 1976 with exports of manufactured goods estimated at $8.1 billion. The comparable figure for second-place Michigan was $6.9 billion. Illinois was just behind at $6.7 billion.

For the country as a whole, 7.0 percent of its total value of manufactured goods was exported in 1976. This was a substantial increase over the 1972 level of 4.9 percent. The state of Alaska had the highest percentage of its manufactured goods exported—23.5 percent, with Washington second at 17.2 percent.

The estimated value at the plant of manufactured goods exported from the United States in 1976 was $83.2 billion. This represented an increase in current dollars of 127 percent over the $36.6 billion level in

1972. In constant dollars, which eliminates the effect of inflation, the increase amounted to 78 percent.

Total value at the port of manufactured products was $92.5 billion in 1976. Port values were then recast to plant values by the Census Bureau by removing the estimated cost of freight and other transportation, excise taxes and insurance.

Of the 20 major industry groups, the one entitled "machinery, except electrical" had the highest value of export shipments, $19 billion. This represented 22.9 percent of the total value of export shipments of manufactured goods. Transportation equipment was the second ranking industry, with exports valued at $16.5 billion.

The Census Bureau statistics also included an estimate of employment in manufacturing establishments which is considered to be directly related to the manufacture of exported products in their final stages of fabrication. This was estimated to be 1,178,700 jobs, or 6.3 percent of total manufacturing employment in 1976. This represents an increase over the comparable data for 1972, which showed 770,400 jobs or 4.1 percent of U. S. manufacturing employment as being directly export-related.

Such totals are based on direct export figures as reported or estimated by manufacturers. However, the Census Bureau notes the estimates tend to understate the importance of export trade on the domestic economy when compared to the total value of shipments of all manufactures. This is because the export figures exclude the output of supplying industries that furnish parts or materials to the manufacturer producing the export product. For example, while automobile manufacturers report their exports of cars, the firms supplying the auto industry with steel, windshields, transmissions, etc., would not report these products as exports. Therefore for these supplying industries, exports are more important than indicated in this report.

Using the manufacturing sector of the input/output tables for industrial activities, it is estimated that the 7 percent of the nation's total value of shipments which are directly exported would be raised to approximately 12.4 percent by including the output of the supplying industries whose products are also eventually exported.

Statistics reported in this article were collected as part of the 1976 Annual Survey of Manufactures, a survey of approximately 70,000 manufacturing establishments. The shipments data represent the net selling value, at the plant, after discounts and allowances, and also excluding freight charges and excise taxes. The data also have been adjusted to account for exporters, wholesalers and manufacturing firms not reporting in the survey. The total value of shipments represents all shipments from manufacturing establishments.

All of this data and other, more detailed statistics for states and standard metropolitan statistical areas by industry group, and the U. S. by industry, are

Exports of Manufactured Goods, by States, 1976

State	Value of total shipments $ million	Estimated value of exports [1] $ million	Estimated exports as % of total shipments
United States, total	1,185,695.3	83,171.0	7.0
Alabama	17,988.1	833.3	4.6
Alaska	991.8	232.8	23.5
Arizona	6,232.9	639.4	10.3
Arkansas	10,604.8	643.1	6.1
California	102,041.0	8,077.9	7.9
Colorado	9,535.5	618.3	6.5
Connecticut	18,229.0	1,959.9	10.8
Delaware	5,042.7	188.6	3.7
Dist. of Columbia	932.0	6.9	.7
Florida	18,091.3	1,363.1	7.5
Georgia	28,391.4	1,364.7	4.8
Hawaii	1,854.8	183.5	9.9
Idaho	3,448.1	168.9	4.9
Illinois	82,351.3	6,665.6	8.1
Indiana	45,180.9	2,829.7	6.3
Iowa	20,772.3	1,502.0	7.2
Kansas	14,657.5	636.3	4.3
Kentucky	20,268.5	1,137.1	5.6
Louisiana	25,225.2	1,383.3	5.5
Maine	4,422.8	254.9	5.8
Maryland	14,762.2	639.6	4.3
Massachusetts	26,918.4	2,507.5	9.3
Michigan	80,326.7	6,897.4	8.6
Minnesota	20,439.5	1,570.1	7.7
Mississippi	10,867.6	699.0	6.4
Missouri	27,468.8	1,622.4	5.9
Montana	2,524.9	43.6	1.7
Nebraska	8,733.3	309.2	3.5
Nevada	724.8	27.2	3.8
New Hampshire	3,495.4	291.0	8.3
New Jersey	45,711.3	2,669.7	5.8
New Mexico	1,534.0	69.3	4.5
New York	76,087.1	5,326.1	7.0
North Carolina	35,818.9	2,202.8	6.1
North Dakota	1,236.2	84.5	6.8
Ohio	83,599.5	5,801.7	6.9
Oklahoma	10,126.0	578.6	5.7
Oregon	12,299.2	824.4	6.7
Pennsylvania	71,918.5	4,717.8	6.6
Rhode Island	4,532.7	268.4	5.9
South Carolina	16,610.1	934.2	5.6
South Dakota	1,608.5	68.3	4.2
Tennessee	24,755.5	1,256.3	5.1
Texas	77,120.1	5,200.7	6.7
Utah	4,640.6	223.7	4.8
Vermont	2,056.2	199.9	9.7
Virginia	20,470.5	1,544.8	7.5
Washington	18,842.8	3,234.9	17.2
West Virginia	7,937.6	449.1	5.7
Wisconsin	35,427.3	2,209.2	6.2
Wyoming	833.2	10.3	1.2

[1] The reported data have been adjusted to account for exporters, wholesalers and mfgrs. not responding in the survey, based on statistics compiled by the Foreign Trade Division, Census Bureau, from shippers' export declarations.

International Promotion Programs of the States

	International dept.	Overseas offices	% Emphasis, export (left) or investment	Missions abroad during two years	Export seminars during two years	Trade shows, one year	Export directory	Newsletter	Advisory unit	Distribute trade leads	TOPS*	Other Commerce promotion aids**	Eximbank, FCIA services
Ala.	Yes	1	20-80	1	6	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Alaska	No	1	35-65	0	0	1	No	No	No	Yes	No	No	No
Ariz.	Yes	—	65-35	2	4	0	Yes	No	Yes	Yes	Yes	Yes	Yes
Ark.	Yes	1	50-50	4	0	0	No	No	Yes	Yes	No	No	No
Colo.	No	—	—	0	0	0	Yes	No	Yes	Yes	Yes	Yes	Yes
Conn.	Yes	1	35-65	1	20	9	No	Yes	Yes	Yes	Yes	Yes	Yes
Fla.	Yes	—	90-10	7	15	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ga.	Yes	4	40-60	9	4	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ill.	Yes	3	75-25	2	0	0	No	Yes	Yes	Yes	Yes	Yes	Yes
Ind.	Yes	4	70-30	8	18	2	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Iowa	Yes	—	35-65	5	5	0	No	Yes	Yes	Yes	Yes	Yes	Yes
Kansas	Yes	—	80-20	0	5	0	Yes	Yes	Yes	Yes	Yes	Yes	No
Ky.	Yes	1	40-60	2	8	0	Yes	No	Yes	Yes	Yes	Yes	Yes
La.	Yes	—	5-95	1	0	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Md.	Yes	—	100	2	4	0	Yes	Yes	No	Yes	Yes	Yes	Yes
Mich.	Yes	2	35-65	0	10	0	No	No	No	Yes	Yes	Yes	Yes
Miss.	Yes	1	60-40	7	4	3	Yes	No	Yes	Yes	Yes	Yes	Yes
Mo.	Yes	1	20-80	0	0	0	Yes	Yes	No	Yes	—	—	—
Nebr.	No	—	70-30	2	10	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nev.	Yes	—	—	12	6	0	No	Yes	No	Yes	Yes	Yes	Yes
N.M.	Yes	—	100	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	No
N.C.	Yes	2	45-55	8	15	1	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N.D.	No	—	—	1	1	0	Yes	No	No	Yes	—	—	—
Okla.	No	—	50-50	0	0	0	No	Yes	No	Yes	Yes	Yes	Yes
Pa.	Yes	2	60-40	6	2	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes
R.I.	Yes	—	—	4	6	0	No	No	No	Yes	Yes	Yes	Yes
S.C.	Yes	2	30-70	7	6	0	Yes	No	No	Yes	Yes	Yes	Yes
S.D.	No	—	60-40	0	4	0	Yes	Yes	No	Yes	Yes	Yes	Yes
Tenn.	Yes	—	50-50	5	6	0	Yes	No	Yes	Yes	Yes	Yes	Yes
Utah	No	—	100	0	3	2	Yes	No	Yes	Yes	No	Yes	Yes
Vt.	Yes	—	30-70	2	1	0	No	No	No	Yes	Yes	Yes	Yes
Va.	Yes	1	50-50	1	33	0	Yes	No	Yes	Yes	Yes	Yes	Yes
V.I.	No	—	—	1	1	0	No	No	No	Yes	No	No	Yes
Wash.	Yes	—	90-10	3	8	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes
W. Va.	No	—	—	0	2	0	Yes	Yes	No	Yes	—	—	—
Wis.	Yes	1	25-75	1	4	0	No	Yes	No	Yes	Yes	Yes	Yes
Wyo.	No	—	0	0	0	0	No	No	No	Yes	No	No	No

Note: Table is based on replies to a 1976 biennial questionnaire by the National Association of State Development Agencies, 1015 20th St. N.W., Washington, D.C. 20006.

*Commerce Department's Trade Opportunities Program.

**"Yes" indicates participation in, or use of, one or more of the following U.S. Department of Commerce export promotion aids: IOGA trade missions, U.S. Trade Center shows, foreign buyer program, market research, agent/distributor service.

A number of major exporting states are not included in the table above. Some are not NASDA members, others did not respond to the survey questionnaire. **California**, which has been without state export promotion activities for several years, has newly established an Office of International Trade in Los Angeles. **Massachusetts** has recently established a Foreign Business Council, to develop export and investment leads. **Minnesota** has an international department, distributes its own and Commerce Department trade leads, has an export directory, and has sponsored with Commerce half a dozen recent seminars. **New Jersey** is completing a state export directory, distributes its own and Commerce trade leads, and has sponsored upward of 25 export seminars in the past two years. **New York** has two offices abroad, distributes its own and Commerce trade leads, and has sponsored more than 50 export seminars in the past two years. **Ohio** has an international department, two offices abroad, has sent out three trade missions and sponsored three seminars in the last two years, distributes both its own and Commerce leads, and identifies exporters in its directory. **Texas** has an international division, one foreign office, has organized five trade missions in the recent past, and has sponsored six seminars. All of these states use some Commerce services.

AT U.S. EXHIBITION ABROAD—The State of Illinois led a group of its firms into the U.S. Commerce Department section of an electronic component exhibition in Munich, Germany.

scheduled for June publication in a Census Bureau report entitled: "Origin of Exports of Manufacturing Establishments."

Here is a sampler—from three states with varying industrial backgrounds—on state-plus-Federal export promotion activities, prepared for Commerce America *by state and U.S. Department of Commerce officials in Kentucky, Michigan and Colorado.*

KENTUCKY: Traditionally known for bourbon, tobacco and thoroughbred horses, Kentucky is now in the top half of U.S. exporting states, with its shipments abroad far exceeding $1 billion annually. More than three-fourths of the exports are classified as industrial goods, such as mining equipment and food processing equipment. A 1977 survey of manufacturers found more than 400 of 3,000 reporting international sales, a proportion considerably above the national average. In 1974 only 266 Kentucky companies were selling abroad.

The International Division of the Kentucky Department of Commerce and the District Office of the U.S. Department of Commerce's Industry and Trade Administration (ITA) in neighboring Memphis have a joint agreement that brings such services as ITA's Trade Opportunities Program. Agent-Distributor Service and Overseas Business Reports to Kentucky firms. A Commerce Department trade specialist, located in Frankfort, Ky., works closely with the International Division in providing export counseling. In turn, the International Division teams with the Kentuckiana World Commerce Council and several Kentucky universities, Western Kentucky, the University of Louisville and the University of Kentucky, in other export expansion efforts.

Assisted by the Frankfort trade specialist, the International Division recently sent a trade mission to Latin America and played host to a buying mission from Venezuela. Two trade missions have been sent to Japan; a third will go in June. Kentucky's representative office in Brussels, meanwhile, continues to promote the state's export products and works with European firms interested in investing in Kentucky.

The International Division was created by the state legislature in 1976, to build up the international activities pursued by the Kentucky Department of Commerce since 1973. The Division's current services include Kentucky International TIPS, a monthly bulletin of trade leads (including some from ITA in Washington); Kentucky International Catalogue, a no-cost booklet of product brochures; and individual company counseling, either through trade expansion seminars or individual marketing efforts. Kentucky's revised International Trade Directory, published in January, has a detailed listing of international trade services available in the state, information on exporting and importing firms, and a compendium of trade assistance items.

Kentucky emphasizes its strategic location on the nation's inland waterways, including 700 miles along the Ohio and Mississippi rivers, and nearly 600 more miles on other navigable rivers, all affording year-round transport capability. A Foreign-Trade Zone has been set up by the Louisville Riverport Authority, the first in the Ohio Valley, and a second is being proposed in an area opposite Cincinnati.

MICHIGAN: With more than 14,000 manufacturing firms and an export-intensive atmosphere, this state keeps the International Division in its Office of Economic Expansion and the U.S. Department of Commerce's Detroit District Office busy on export-related activities. The two offices have long meshed on export promotion—at seminars, trade missions, special events, and, most importantly, in day-to-day counseling of Michigan firms.

The Office of Economic Expansion has two distinct responsibilities to Michigan taxpayers; 1) to attract foreign capital investment and thus add private sector jobs, and 2) to build exports and similarly contribute to Michigan employment. There are operating staffs in Lansing and Detroit, and foreign offices in Brussels and Tokyo.

Seminar activity has been a major area of Federal-state interaction. The state and Federal offices have cooperated in organizing, planning and participating in many seminars over the past years, on a wide variety of topics ranging from introductory workshops on exporting to very comprehensive and complex subjects such as U.S.-Canadian trade.

State-sponsored trade missions have given the Michigan exporter a chance to meet firsthand with overseas buyers. Last fall, the Office of Economic Expansion conducted a trade mission to Venezuela for metalworking machinery. In February a mission traveled to Japan and South Korea, also for metalworking products. The District Office has provided the state with publicity on the missions and has made initial alerting calls on firms. The District Office has also given Commerce-generated background material on overseas markets to the state.

The District Office, while principally serving as a contact point for services from ITA in Washington, has also served to help channel business in-

All of this state export data will be in a forthcoming Census Bureau report, "Origin of Exports of Manufacturing Establishments."

COOPERATING ON TRADE LEADS—Philip Valdez, Missouri's Director of International Business Development (right), reaches agreement with Don Loso of Commerce's ITA District Office in St. Louis, on state dissemination of Commerce worldwide trade leads.

quiries to many appropriate Federal offices. The Office of Economic Expansion in turn has acted as a liaison with other state programs such as export activities by minority business firms.

The District Office has also used the state services in Brussels and Tokyo. Michigan business firms with special needs have found the overseas offices helpful to the firm "back home." An example: a firm that was having difficulty communicating with a Japanese customer, with an urgent reply needed to complete a letter of credit amendment. On the suggestion of the District Office, Michigan's Tokyo representative was contacted and the matter was resolved quickly.

Special events are also jointly sponsored. As a result of a contact made by the state during the South Korean mission, a leading South Korean businessman was invited to speak about Korean import requirements. The Office of Economic Expansion and the District Office contacted major Michigan firms and invited them to a luncheon. Similarly, the District Office was invited to attend a luncheon held for Taiwanese investors. Foreign Service personnel who visit the District Office are given the opportunity to meet the Office of Economic Expansion staff. This is demonstrating to the U.S. Foreign Service how state and Federal agencies can jointly promote international trade.

State export promotion offices and Commerce Department's ITA District Offices work together in a wide variety of efforts.

COLORADO: An interesting aspect of this state's export expansion effort is the part played by the Colorado District Export Council, a volunteer group of about 25 executives whose executive secretary is also the director of the Denver District Office of Commerce's Industry and Trade Administration.

The council has learned that an effective way of helping Colorado firms into export markets is through discussions by experienced business executives with the management of potential exporting companies. The council has made excellent use of a 1972 study by the Denver District Office which showed that while larger companies accounted for about 65 percent of Colorado's exports, more than half of the exporters had fewer than 20 employees and a third of them had less than 10. It was obvious to council members that there was plenty of room for small Colorado companies in overseas markets, and that the larger firms would welcome assistance in penetrating new areas abroad.

It was felt by council members that, through a well-planned promotional effort, Colorado's export volume could be doubled in five years and tripled in ten. A four-sided campaign was launched: 1) create exportawareness in the general Colorado citizenry; 2) encourage exporting firms to add new foreign marketing efforts; 3) compile a target list of non-exporters and urge them to investigate sales of their products overseas, and 4) get the state government, trade associations, freight forwarders, banks and local chambers of commerce involved.

The words "Colorado Exports Create Colorado Jobs" appeared on billboards and advertisements. Letters, personal calls, weekly basic exporting seminars, and participation in World Trade Week observances were another part of the drive. The council enlisted enthusiastic support from Gov. Richard Lamm. A grant from the Four Corners Commission was obtained and an International Trade Section was set up within the state's Division of Commerce and Development. Today the state of Colorado and the District Export Council are contractual partners in a plan that aims to create 1,200 new export-related jobs per year in the 1978-1983 period.

The goal of the first five years has been accomplished, with a volume of manufactured exports in 1976 at $618 million, compared to $232 million in 1972. The council sets all-around export-related employment at more than 25,000 persons earning a conservatively estimated $250 million, and supplying tax revenues at the Federal, state and local level of about $70 million. A total of 642 Colorado manufacturers are now listed as operating internationally, or almost 19 percent of the state's 3,500 such firms.

State recognition is given annually through a personal presentation of the Governor's Award for Excellence in Exporting to a new-to-export manufacturer, or to one penetrating a significant new world market.

Colorado's business and civic organizations have rallied around the District Export Council in its expansion drive. Three international banks have added to their staffs because of their increased export volume. Freight forwarders in Colorado have now grown to a total of 25. Export management firms, the International Trade Association of Colorado, the Rocky Mountain Air Cargo Association, and the 26 associate offices of the ITA Denver District Office have pitched in.

Double exports in five years and triple them in ten? The first goal has been reached; about the second Norman Lawson, who heads the Denver ITA District Office, comments in his study "Colorado's Future in International Trade" that "with all groups coordinating their international activities there is no reason why Colorado exports cannot continue to expand to the benefit of employment and the general economy of the state."

U.S. Trade, First Quarter 1978

EXPORTS EDGE UPWARD, IMPORTS SURGE

The U.S. merchandise trade deficit increased sharply in the first quarter of 1978, as exports continued to display little vigor while imports expanded at an exceptionally brisk pace. The revised January-March f.a.s. deficit was $10 billion ($12.6 billion c.i.f.), compared to an average quarterly deficit in 1977 of $6.6 billion. Exports, at $30.8 billion, were 4 percent above the total in the first three months of last year and exceeded the fourth quarter level by 3 percent, though remaining below their third quarter strike-affected peak. Imports were valued at $40.8 billion f.a.s. ($43.4 billion c.i.f.), 14 percent above the January-March level, and 6½ percent above the final quarter, following successive quarterly advances last year.

Economic factors underlying the relatively slow expansion in exports and the rapid growth in imports last year continued to affect U.S. trade in the first quarter of 1978. Economic growth in the industrial countries abroad was, on the whole, disappointingly slow—particularly in the investment sector—thereby holding down demand for U.S. products. Moreover, several of the key developing countries' (LDC's) economies were only beginning to pick up momentum after experiencing difficulties in the past two years. At the same time, the U.S. economy has been on a strong expansion path for some time, though temporarily set back in the first two months of the year. This growth substantially boosted demand for foreign products.

There were a few temporary developments in the first quarter that served to hold down the value of exports and raise that of imports, thus amplifying the deficit. On the export side, inland transportation problems, related mainly to the cold weather, reportedly delayed shipments of farm products to the ports. The lengthy strike by coal miners reduced coal exports severely. On the import side, steel arrivals rose to a high level in anticipation of the new program to monitor inflows from abroad. Also, the value of imports was raised by a considerable increase in prices which in part stemmed from the appreciation of certain foreign currencies against the dollar.

Import prices, as measured by the unit value index, increased by 4 percent over October-December, the fastest quarter-to-quarter rise since 1974. Compared to the first three months of 1977, import prices were up by 8 percent. Estimated export prices rose by about 3 percent in January-March from the fourth quarter level, and were approximately 5 percent higher than in the first three months of last year.

Although overall exports were sluggish in the first quarter, shipments to the developing countries were quite buoyant. Deliveries to the non-oil LDC's climbed by 18 percent over January-March 1977, reflecting improved economic conditions in key markets among this group. Sales to the OPEC and other oil-exporting LDC's also expanded strongly, led by stepped-up deliveries to Iran and Saudi Arabia. Reflecting particularly a rise in deliveries to the People's Republic of China, exports to the communist countries advanced by 16 percent over the comparable period last year. In contrast, exports to the developed countries fell by 3 percent, offsetting much of the increase to the areas mentioned above. Shipments to Canada, Japan, and Western Europe all declined.

The strong rise in imports in January-March from the same period of 1977 largely reflected a strong 29 percent rise in purchases from the developed countries. Receipts from Japan rose 45 percent and those from Western Europe expanded by more than one-third. Part of these increases can be attributed to higher costs resulting from currency appreciations. Arrivals from Canada also grew—by 12 percent—despite a further depreciation of that country's currency vis-a-vis the U.S. dollar. Imports from the non-oil exporting LDC's continued to expand, by one-fifth, in contrast to arrivals from the oil-exporting nations which

A few temporary developments served to hold down the value of exports and raise that of imports.

Greater quantities of foreign cars from Japan and Western Europe, at much higher prices, led the rise in consumer imports.

Nonfarm Exports Paced By Machinery; Wheat Sales Strong Among Farm Products

	January-March 1977	January-March 1978	Change
	Millions of dollars		
Nonagricultural exports, total	23,300	24,313	+1,013
Machinery	8,110	8,464	+354
Automotive products	3,056	3,283	+227
Military aircraft	260	471	+211
Scientific instruments	545	722	+177
Chemicals	2,670	2,744	+74
Nonmonetary gold	214	259	+45
Coal	463	116	−347
Civilian aircraft	513	495	−18
Agricultural exports, total	6,367	6,652	+285
Wheat and flour	613	926	+313
Animal feeds	444	481	+37
Fruits and vegetables	322	346	+24
Cotton	500	511	+11
Soybeans	1,258	1,089	−169
Corn and other feed grains	1,387	1,258	−129

Oil Receipts Decline; Consumer Goods, Industrial Supplies Lead Import Rise

	January-March 1977	January-March 1978	Change
	Millions of dollars		
Imports, total	35,379	40,551	+5,172
Petroleum*	11,667	9,735	−1,932
Consumer goods	8,647	11,093	+2,446
Passenger cars from Canada	1,040	931	−109
Passenger cars from other countries	1,458	2,029	+571
Automotive parts and equipment	1,290	1,573	+283
Textile products	817	1,148	+331
Industrial supplies	7,605	9,974	+2,369
Steel	1,096	1,839	+743
Nonferrous metals	858	1,278	+420
Capital goods	3,536	5,114	+1,578
Machinery	2,842	4,024	+1,182
Food and beverages	3,515	3,864	+349

*An additional $701 million of petroleum in Jan.-March 1977 and $873 million in Jan.-March 1978 was imported into the Virgin Islands.

dropped sharply. The 16 percent decline, amounting to $1.6 billion, reflected a downturn in U.S. demand for imported petroleum.

Imports of non-oil products soar

Led by sharply higher purchases of machinery, autos, and steel, nonpetroleum imports were 27 percent higher in the March quarter than in the first quarter of 1977. Receipts of nearly all other major goods were also quite buoyant. These advances in value were considerably offset by a large drop in petroleum receipts which reduced the overall rate of import growth to 14 percent.

Valued at $9.7 billion, petroleum imports were 17 percent below the record value posted a year ago, and lower than in any other 1977 quarter. Prices averaged 2 percent higher than those in January-March last year, but volume was one-fifth lower. A 2 percent increase in consumption was more than offset by a huge reduction in stocks and substantially increased domestic supplies from Alaska. An additional $873 million of crude petroleum, not included in the Census Bureau statistics used in this article, was imported into the Virgin Islands, mostly to be refined for U.S. consumption.

Imports of nearly all other industrial supplies advanced strongly, in contrast, rising by over 30 percent. Steel imports posted by far the largest increase, with quantities at record levels and prices somewhat higher than a year ago. This surge was at least partly due to an acceleration in arrivals before the implementation by the Treasury Department of the trigger price mechanism for monitoring steel import prices. Under this program, which went into effect partially on Feb. 21, prices found to be below minimum levels automatically instigate a dumping investigation.

Nonferrous metal imports also soared in value as a result of sharply higher prices for tin, strong demand for aluminum, and a rise in copper and nickel receipts. Particularly large advances were recorded as well for imports of industrial chemicals, lumber, and natural gas.

Greater quantities of foreign cars from Japan and Western Europe, at much higher prices, led the rise in consumer imports. During the first three months, 617,000 autos were imported, nearly 50 percent more than a year ago, reflecting continued high sales and a substantial rebuilding of depleted inventories. The value of these imports was further boosted by an average 20 percent increase in the price of Japanese and German cars, largely attributable to the appreciation of those countries' currencies against the dollar. In contrast, autos from American subsidiaries in Canada declined as a result of leveling sales and relatively high inventories of domestic makes.

Imports of clothing, footwear, and many other consumer goods continued to advance rapidly in value. Motorcycle imports, mostly from Japan, which have rebounded in the past year and a half, nearly doubled in quantity from the same period last year and also increased by 10 percent in price. Consumer electronics receipts, on the other hand, fell slightly in value from the peak level reached in the first quarter of 1977.

Purchases of capital goods expanded at a faster rate than any other major category of imports. Receipts of machinery accelerated in the first

In machinery, deliveries of computers and parts continued at high levels, and sales of drilling and oil-field equipment resumed growth.

quarter, continuing the strong advances of recent years. Truck imports also climbed again as receipts from Canada doubled in value. Imports of aircraft engines and parts more than doubled in value from the relatively low levels in the comparable period a year ago.

Food and beverage imports advanced over the high first quarter 1977 value by 10 percent, as declines in some types were more than offset by increases in others. Coffee arrivals were down by 5 percent as a result of reduced volume and falling prices. Sugar receipts plummeted to the lowest value in many years. Prices were depressed, and higher import duties and fees went into effect at the beginning of the year. The value of cocoa bean imports, however, was three-fourths larger than last year, entirely because of higher prices, while arrivals of meat, fruits and vegetables, and alcoholic beverages rose by 20 percent or more.

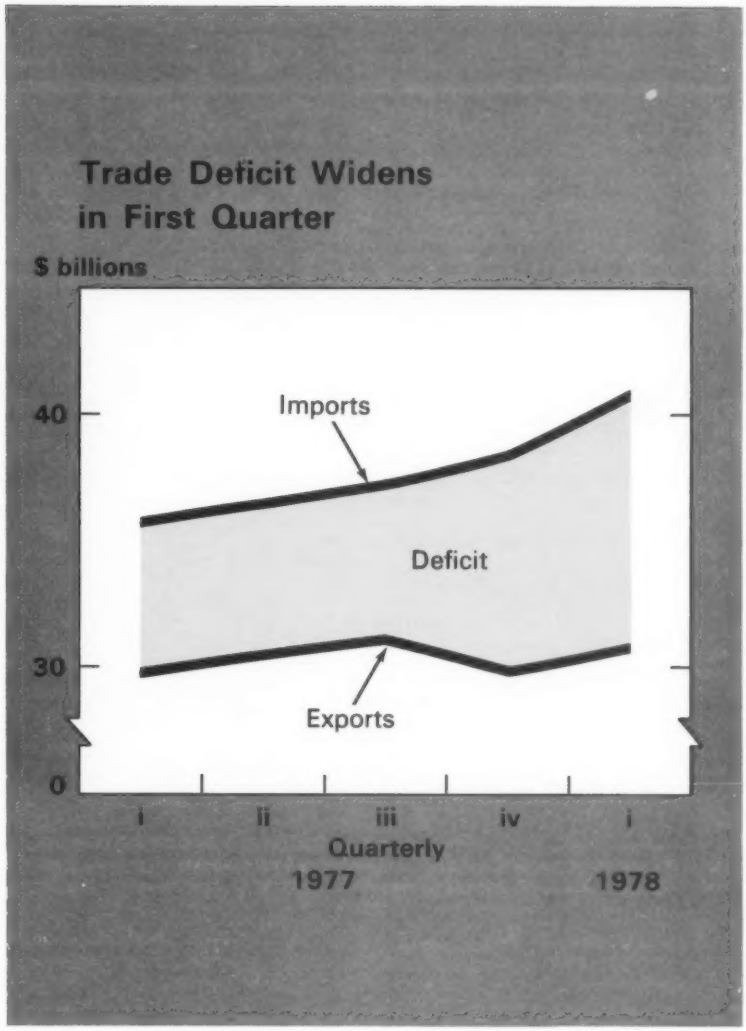
Exports edge upward

Following a 4 percent decline in the fourth quarter of 1977 which was related in part to the East and Gulf Coast dock strike against container ships, exports of nonagricultural products turned up slightly in the first quarter. Compared to the first three months of last year, these shipments rose by 4 percent. Continuing on the moderately upward trend which prevailed in 1977, exports of machinery, the largest component of nonagricultural exports, also advanced by 4 percent. Those sales were quite buoyant to the OPEC countries. They also rose substantially to Mexico whose trade and payments position has improved considerably in the last year or two, in part as a result of huge increases in oil exports. Deliveries of computers and parts continued at high levels, while sales of drilling and oil-field equipment and metalworking machinery, which declined in 1977, resumed growth in January-March. Exports of several other types of machinery declined, however.

Following a sizable increase last year, military aircraft deliveries climbed sharply again. Civilian aircraft sales were slightly below the value of a year ago, but exports of aircraft parts edged up. Shipments of passenger cars to Canada fell 17 percent from the level in January-March 1977; deliveries of trucks and parts to U.S. subsidiaries there expanded substantially, however. Sales of cars to other countries also were higher.

Among industrial supplies, coal exports fell to one-fourth of last year's level because of the miners' strike which lasted from early December to late March. Steel shipments also dropped, as did those of pulp and paper. Increases were recorded in exports of chemicals and nonferrous metals.

Deliveries of agricultural products to foreign countries rebounded in the first three months after declines in the final two quarters of last year. Compared to January-March 1977, these exports were up 4 percent, largely on the strength of a huge rise in wheat shipments. The volume of wheat exports advanced sharply, reflecting a tightening in world supplies, but prices, although rising, remained below the level of a year ago. Sales of animal feeds, tobacco, fats and oils, and cotton recorded small increases. Because of lower prices, soybean and corn exports fell in value from the high levels of the first quarter of last year, though quantities were up slightly.



Three More Foreign-Trade Zones Are Authorized, In N.Y., Texas, S. Carolina

Approval by the Foreign-Trade Zones Board of three general purpose foreign-trade zones in Texas, South Carolina and New York has been announced by the Commerce Department.

The zone in Galveston, Tex., is within the Galveston Customs port of entry, at two sites on the Galveston Ship Channel. One site is on an 8-acre tract on Galveston Island where three warehouses are now in operation as Customs-bonded facilities. The other, across the Channel on Pelican Island, covers some 875 acres. The zone sites are intended to serve firms engaged in international trade and will be operated for the city by the trustees of the Galveston wharves.

As a result of concern expressed by the domestic steel industry, a special annual report will be required from the zone operator to help the zones board monitor activities in the zone. In addition, any manufacturing operations would have to be cleared with the board.

The zone that will serve Greenville-Spartanburg, S.C., was backed by the South Carolina State Development Board as part of its economic development program. The Foreign-Trade Zones Board authorized the South Carolina State Ports Authority to establish the zone, which is situated on a 20-acre tract about 10 miles from downtown Spartanburg, S.C. It will be operated by Carolina Trade Zone, Inc. The facility's first building will be a 96,000-square foot warehouse/processing structure.

The other zone recently approved is near Stewart Airport at New Windsor, N.Y., and consists of two sites. One is the Sage Building at the airport, which will provide 85,000 square feet of warehouse space on four floors. The other site is on a 5-acre tract within a 65-acre industrial park about a mile from the airport. The zone facilities are intended to serve firms involved in international trade and will be operated by the Foreign Trade Development Company of Orange County, Inc. under a contract with the county.

Foreign-trade zones are areas under U.S. Customs supervision into which foreign merchandise may be brought without the usual immediate formal Customs entry. The goods may be exhibited, stored, assembled, or used in manufacture within the zone and duties need not be paid unless and until the goods or their end products enter U.S. Customs territory from the zone. Re-exports emerge duty-free. Domestic goods moved into a zone for export are considered exported upon entering the zone for purposes of excise tax rebates and Customs drawback procedures.

Foreign-trade zone grants are issued under the Foreign-Trade Zones Act of 1934 which empowers the Board—consisting of the Secretary of Commerce, who chairs it, and the Secretaries of the Treasury and Army—to authorize public and private corporations to establish zones in or near U.S. Customs ports of entry.

There are now more than 30 port communities in the United States with available foreign-trade zone services. Others are New York City; New Orleans; San Francisco; Seattle; Mayaguez, Puerto Rico; Toledo; Honolulu; Bay City, Mich.; McAllen, Tex.; Little Rock; Kansas City, Mo.; Sault Ste. Marie, Mich.; Kansas City, Kan.; San Jose, Calif.; Chicago; Buffalo; Wilkes-Barre/Scranton Pa.; Port Everglades, Fla.; Atlanta; Boston; New Bedford, Mass.; Louisville; Salt Lake City; St. Louis (Granite City, Ill.); Miami; Pittsburgh; Niagara Falls, and Philadelphia. San Francisco, Honolulu, Wilkes-Barre/Scranton and Pittsburgh also have special-purpose subzones.

Market Share Reports Series Updated; Statistics Show Trends in Global Competition

A new edition of Market Share Reports covering the export performance of about 900 U.S. manufactured products in 100 country markets has been released by the Commerce Department's Bureau of International Economic Policy and Research, as announced in the May 8 issue of *Commerce America*.

Covering approximately 80 percent of the world's exports of manufactures, the reports provide exporters and market analysts with precise information on exports of specific manufactured products from the United States and its major competitors for the five-year period 1972-76. Purchasers may analyze world growth trends for their products, identify fast-selling products in emerging markets, and evaluate shifts in supplier performance. A company can thus pinpoint market targets.

Two types of easy-to-read reports are offered—a "Commodity Series" at $3.25 for each report and "Country Series" at $4.75. Each "Commodity Series" report provides information on the value of exports of one of 880 manufactured commodities shipped from the United States and eight other major exporting nations to 100 different destinations around the world in the last five years. The U.S. share has been calculated for each commodity in each market.

One-third of the 88 "Country Series" reports give statistics on the value of imports of the same manufactured products into each of the national markets from the entire world, from the United States, and from eight other leading suppliers. For the other countries where import data lag, the reports present exports from the United States combined with those of the other 13 major exporters to form a "world" total. From that total the U.S. share is calculated, and values are shown for exports from the United States and the other eight leading exporters.

The individual products and the country markets in the two series are listed in the Market Share Reports Catalog, available free from Commerce District Offices or from Room 5618, U.S. Department of Commerce, Washington, D.C. 20230.

Strauss, Haferkamp, Ushiba, Weil Are Conference Speakers

An international conference on trade and investment, "Balancing Economic Interests," will be held in Washington on June 19-20 under the joint sponsorship of Sen. Adlai F. Stevenson of Illinois and the governmental affairs publication *National Journal*.

Among the featured speakers are Ambassador Robert S. Strauss, the President's Special Representative for Trade Negotiations; Wilhelm Haferkamp, Vice President of the Commission of the European Communities; Nobuhiko Ushiba, Japanese Minister for External Economic Affairs, and Frank A. Weil, Assistant Secretary of Commerce for Industry and Trade.

For further information call Barbara Norris of the sponsoring group on 202-857-1400.

Pamphlet On Carnets Issued By Customs

A pamphlet explaining ATA carnets and how they speed international trade by simplifying certain customs formalities has been issued by the U.S. Customs Service.

The ATA carnet is an international customs document which may be used for the temporary duty-free importation of certain goods into a country in lieu of the usual customs documents required. ATA stands for the combined French and English words, "Admission Temporaire — Temporary Admission." The carnet serves as a guarantee against the payment of customs duties which may become due on goods temporarily imported and not reexported.

Copies of "ATA Carnet" may be obtained by writing to the U.S. Customs Service, P.O. Box 7118, Washington, D.C. 20044, or by contacting the nearest Customs District Office. Questions on carnet use may be referred to the U.S. Customs Service, International Operations Division, 1301 Constitution Avenue NW., Washington, D.C. 20229; or to the U.S. Council of the International Chamber of Commerce, 1212 Avenue of the Americas, New York, N.Y. 10036.

Official Trade Briefs

This article is another in a series of reports that describes actions affecting world trade, as compiled by the Import Policy Division of the International Economic Policy and Research Bureau's Office of International Trade Policy.

THE PRESIDENT

Unfair Trade Practices: The President disapproved the cease and desist order issued by the U.S. International Trade Commission (ITC) which mandated the termination of sales at prices below the average variable cost of production for imports of certain Japanese **welded stainless steel pipe and tube.**

The ITC order had been issued following an investigation, under section 337 of the Tariff Act of 1930, into alleged unfair import practices and a finding that the low price sales were causing a restraint of trade by substantially reducing the U.S. market share of other foreign competitors. The President cited as reasons for his action the detrimental effects of the order on the national economic interest and international economic relations of the United States, the need to avoid duplication and conflicts in the Administration of unfair trade practice laws, and the probable lack of any significant benefit to U.S. producers or consumers. An antidumping action regarding similar goods is currently pending. (See **Treasury** section).

CONGRESS

New Escape Clause Investigations for Ferrochrome and Industrial Fasteners. Two similar resolutions directing the U.S. International Trade Commission (ITC) to initiate new escape clause investigations covering imports of **high carbon ferrochrome** and **industrial fasteners** were approved and sent to the full Committee by the House Ways and Means Trade Subcommittee.

The Chairman of the Trade Subcommittee, Rep. Charles Vanik, originally introduced the resolutions in response to the committee's recent rejection of two other resolutions to override the President's decisions, taken under the Trade Act of 1974, not to provide import relief to the high-carbon ferrochrome and industrial fastener industries.

The full Ways and Means Committee is expected to take up these resolutions in the near future.

Bills passed—Senate: The Senate passed H.R. 5052, which contains the Bentsen Amendment of the Meat Import Act of 1964, which proposes to regulate meat imports using a counter-cyclical approach.

Committee Action—House: The Committee on Ways and Means met and ordered reported favorably to the House the following measures: H.R. 5551, amended to suspend for a three-year period the duty on 2-Methyl, 4-chlorophenol; H.R. 11005, to provide authorization of **appropriations for the U.S. International Trade Commission;** and H.R. 11711 amended, to improve the operation of the **adjustment assistance** programs for workers and firms under the Trade Act of 1974.

Also reported favorably were H.Con.Res. 555, approving the extension of nondiscriminatory treatment to **products of the Hungarian People's Republic;** and H.Res. 738, expressing the sense of the House with respect to the immediate removal of certain regulations unilaterally put in place by the European Economic Community which have the effect of damaging and interfering with historic and acceptable trade patterns in the **U.S. export of dried prunes,** and efforts made to restrict exports of **walnuts** to the European Economic Community.

The Subcommittee on Trade of the Ways and Means Committee held hearings on 13 bills which propose to suspend or reduce the duties on various products, as well as a tariff reclassification bill and a private relief bill (see box).

In another committee action, the Committee on Banking, Finance and Urban Affairs met and ordered reported favorably to the House H.R. 12157, amended, to amend and extend the **Export-Import Bank Act of 1945.**

In subcommittee proceedings, the Committee on Banking, Finance and Urban Affairs' Subcommittee on International Trade held a hearing on and approved for full committee action H.R. 9065, amended, to provide that the **Exchange Stabilization Fund** shall not be available for the payment of administrative expenses.

The Subcommittee on International Economic Policy and Trade of the House Committee on International Relations met and approved for full committee action an amendment, in the nature of a substitute, to H.R. 12286 **International Investment Survey Act** Authorization for fiscal year 1979.

In addition, the Subcommittee on Commerce, Consumer and Monetary Affairs of the Committee on Government Operations met and approved for full committee action a report entitled, "Foreign Tax Credits Claimed by U.S. Petroleum Companies."

Also, the Committee on Merchant Marine and Fisheries' Subcommittee on Merchant Marine held a hearing on the U.S. flag 50 percent cargo requirement for government impelled cargo, in a case involving **shipment of U.S. subsidized German-built buses aboard Soviet flag vessels.** Several witnesses from public and private sectors presented testimony.

The subcommittee also held a hearing on H.R. 9998, to provide for the regulation of rates or charges by certain **state-owned carriers** in the **foreign commerce of the United States.** Representatives of several federal agencies presented testimony.

In addition, a subcommittee hearing took place on H.R. 11422, to authorize the formation and implementation of closed conferences and **shippers' councils** in the foreign oceanborne commerce of the United States, with testimony provided by several private and public representatives.

In another action, the Subcommittee on International Economic Policy and Trade of the Committee on International Relations held a hearing on **agricultural exports** and U.S. foreign economic policies, receiving testimony from several witnesses.

Finally, the Subcommittee on International Security and Scientific Affairs of the Committee on International Relations met for consideration of recommendations to the **International Security Assistance and Arms Export Control Act.**

Committee action—Senate: The Committee on Finance ordered favorably reported the following bills: H.R. 8149, to simplify and update U.S. **Customs laws,** with amendments, H.R. 5052, to suspend the duty on certain **photographic color couplers,** with an amendment in the nature of a substitute, inserting the text of S. 2895, to impose quotas on importation of **beef.**

In other proceedings, the Subcommittee on International Trade of the Committee on Finance held hearings on proposed fiscal year 1979 authorizations for the **International Trade Commission,** receiving testimony from Chairman Daniel Minchew, Vice-Chairman Joseph O. Parker, and Commissioner William Alberger.

The Committee on Commerce, Science and Transportation began hearings on S. 2928, authorizing funds for fiscal years 1978 and 1979 for programs under the **International Investment Survey Act** for the collection and dissemination of **information on foreign investment in the U.S. and American investment overseas,** receiving testimony from George Kruer, Chief, International Investment Division, Bureau of Economic Analysis, Department of Commerce, as well as several other witnesses.

Also, the Committee on Banking, Housing and Urban Affairs continued markup of S. 2520, S. 2764 and S. 2835, bills authorizing funds for the **Export-Import Bank,** but did not complete action thereon.

The Committee on Governmental Affairs resumed hearings on S. 1990, to establish a Cabinet-level **Department of International Trade and Investment,** receiving testimony from several witnesses.

Also the Subcommittee on Foreign Agricultural Policy of the Committee on Agriculture, Nutrition, and Forestry held hearings on S. 2276, S. 2641 and S. 2869, bills

to create an **international food reserve** with testimony provided by private and public witnesses. The Subcommittee continued hearings on S. 2385, 2405, 2504, and 2968, authorizing the Commodity Credit Corporation to finance export credit sales of **agricultural commodities**, receiving testimony from several public and private witnesses.

New Legislation: In the first and second sessions of the 95th Congress 378 trade and related bills have been introduced. Those not previously reported include: H.R. 11963 to amend the Antidumping Act of 1921, to expedite procedures for making certain findings under such act and for imposing special dumping duties; H.R. 11974 and H.R. 12157 to amend and extend the Export-Import Bank Act of 1945; H.R. 11985 to amend the Commodity Credit Corporation Charter Act to provide the highest possible prices in foreign markets for American agricultural producers and to provide price and supply stability in domestic markets; H.R. 12020 to amend the Tariff Schedule of the United States in order to prohibit the importation of coffee which is the product of Uganda.

H.R. 12110, H.R. 12201, H.R. 12207, H.R. 12242, H.R. 12243, H.R. 12314, H.R. 12419, H.R. 12461, H.R. 12546, and S. 2920 to amend the Trade Act of 1974; H.R. 12119 to authorize the Commodity Credit Corporation to finance **export credit sales of agricultural commodities** and to **authorize non-market-economy countries to participate in certain programs** of the Commodity Credit Corporation; and H.R. 12165 to extend until the close of June 30, 1981, the **existing suspension of duties on certain metal waste and scrap, unwrought metal,** and **other articles of metal.**

Also, H.R. 12198 to **amend the Tariff Schedules of the United States** to **provide a temporary suspension of the duty on polystyrene foam**; H.R. 12203 to direct the Secretary of Commerce to carry out a **global market survey with respect to American-made solar energy technology equipment**; H.R. 12206 and H.R. 12239 relating to **meat** and meat product importation procedures; H.R. 12463 and H.R. 12464 to amend the **Export Administration Act** of 1964 to prohibit any new investment in South Africa by U.S. persons and to impose sanctions on U.S. persons with existing investments in businesses in South Africa that engage in unfair employment practices.

Also H.R. 12486, 12492 and S. 2990 to implement the **International Sugar Agreement** between the United States and foreign countries; to protect the welfare of consumers of sugar and of those engaged in the domestic sugar-producing industry, to promote the export trade of the United States.

Also, H.R. 12488 to promote **steel trade negotiations** under the Trade Act of 1974; H.R. 12490 to suspend the duty on **live worms**, if a product of Canada, until the close of June 30, 1981; and H.R. 12544 to amend the tariff schedules to provide for **mixed animal feeds** containing soybeans.

And finally, H.Con.Res. 599 disapproving the proposed export of low-enriched **uranium** to India; and H.Res. 1141 relative to **customs duties** on **textile, apparel, and fiber** products.

In addition, S. 2846, to amend the Foreign Assistance Act of 1961 and the **Arms Export Control Act**, S. 2847, to **modify the tariff schedules** with regard to **certain articles used in carnivals and parades**; S. 2857 to clarify and revise various provisions of Title 28 of the United States Code relating to the judiciary and judicial procedure regarding **judicial review of international trade matters**; and S. 2869 to authorize the establishment of an **international emergency wheat reserve.**

Also, S. 2873 to provide for the **regulation** of **rates** or charges **by certain state-owned** carriers in the **foreign commerce of the United States**; S. 2874 to amend the Foreign Trade Zones Act to increase the **use of foreign trade** zones in **exporting**; and S. 2895 to **impose quotas** on the **importation of beef** in order to **assure an adequate supply of** quality beef at **stable prices for the American consumer.**

Also, S. 2947 to authorize the Secretary of Agriculture to regulate the **exportation and transportation** of animal semen; S. 2949 to repeal the **Tobacco and Plant Exportation Act of 1940**; S. 2968 to strengthen the economy of the United States through **increased sales abroad of American farm products**; S. 2985 to amend the Tariff Schedules of the United States to provide for an **increase in the duties on imports of potatoes**, and **to reduce the quota for potatoes subject to the lower of the two rates of duty**; and finally S. 3011 to authorize the Commodity Credit Corp. to extend intermediate term **agricultural credits** in support of the **export of agricultural** commodities and the **development of long-term agricultural export markets abroad.**

TRADE BILL HEARINGS

The House Ways and Means Committee's Trade Subcommittee held hearings on the following trade bills:

H.R. 7108, to amend the Tariff Schedules of the United States in order to suspend the duty on Yankee Dryer Cylinder Rolls until the close of June 30, 1981.

H.R. 8755, to make specific provisions for ball or roller bearing pillow blocks, etc. in the TSUS.

H.R. 8814, to suspend duty on woven silk fabric.

H.R. 9628, to suspend until the close of June 30, 1980 the duty on nitrocellulose.

H.R. 9650, to suspend until the close of 1978 the duty on 1, 3, 5-trimethyl, 2, 4, 6-tris benzene.

H.R. 9911, to continue until the close of June 30, 1981 the existing suspension on zinc.

H.R. 10161, for the relief of Eastern Telephone Supply and Manufacture Inc.

H.R. 10224, to provide for temporary suspension of the rate of duty on 2-methyl 5-ethyl pyridine, and for other purposes.

H.R. 10625, to suspend until the close of June 30, 1981 the duty on natural graphite.

H.R. 10635, to amend the Tariff Schedules of the United States to provide duty-free treatment for horses.

H.R. 11021, to provide for the duty-free entry of live worms, if a product of Canada.

H.R. 11409, to continue for three years the suspension of duty on certain dying and tanning materials.

H.R. 11688, to simplify the administrative complexity and expense of the cat and dog provision in the TSUS.

H.R. 12165, to suspend duty on metal waste and scrap.

H.R. 12198, to suspend duty on polystyrene foam.

COMMERCE DEPARTMENT

Trade Adjustment Assistance: The Commerce Department has recently certified six firms as eligible to apply for trade adjustment assistance. The firms produce **footwear, wire rope and wire products, men's and boys' outerwear jackets, men's suits, sport coats,** and **slacks.**

TREASURY DEPARTMENT

Antidumping Cases: The Department has issued final affirmative findings of sales at less-than-fair value in two antidumping cases, and has referred the cases to the U.S. International Trade Commission (ITC) for injury determinations. The products involved are **viscose rayon staple fiber** from Belgium and certain imports of **welded stainless steel pipe and tube** from Japan. Treasury has also issued a preliminary finding of sales at less-than-fair value and withholding of appraisement on imports of **motorcycles** from Japan.

New antidumping investigations have been initiated concerning imports of **rayon staple fiber** from Finland, France, Italy and Sweden, and an investigation concerning the same product from Austria has been re-opened. An investigation has also been initiated regarding **photographic color paper** from Japan and the Federal Republic of Germany. That case has been referred to the ITC for a preliminary injury determination. (See **International Trade Commission** section).

Countervailing Duty Cases: The Treasury Department has announced its determination that **leather handbags** from Colombia are the subject of bounties or grants, within the meaning of U.S. countervailing duty law, and has also announced its decision to waive the imposition of countervailing duties. Treasury has also announced its intention to waive countervailing duties on **leather wearing apparel** from Uruguay, which were found to be subsidized by the Uruguayan Government. The countervailing duty law authorizes the Secretary of the Treasury to waive the additional duties if three preconditions are met: 1) steps have been taken to reduce or eliminate the adverse effect of the bounty or grant; 2) there is a reasonable prospect that trade agreements will be entered into to reduce trade barriers; and 3) the imposition of countervailing duties would be likely to seriously jeopardize the success of negotiations aimed at such agreements.

Finally, the Department has initiated two new investigations into alleged bestowals of bounties or grants on imports into the U.S. of **grain-oriented electrical silicon steel** from Italy and **papermaking machinery and parts thereof** from Finland.

LABOR DEPARTMENT

Workers' Trade Adjustment Assistance Certifications: The Labor Department, having found that approximately 11,455 workers have been or may become unemployed as a result of increased imports, has certified these workers as eligible to apply for trade adjustment assistance. They are or were employed at firms producing the following products or engaging in the following services: **apparel items, footwear, calculators, cash registers, steel products, movie projectors, watches, watch cases, handbags, fabrics, dictating systems, research laboratory work in the steel industry, earthenware articles, citizen band radios and antennas, writing instruments, disposable lighters, refillable lighters, microwave oven cooker tubes, brasswind and woodwind musical instruments, wire rope and wire rope products,** and **administrative support for steel production.**

Denials: The Department denied petitions for trade adjustment assistance for 4,696 workers engaged in the manufacture of the following goods or performance of the following services: **metal cutting tools and precision measuring tools, reinforcing bars, rounds and fence posts, concrete reinforcing bar, apparel, quartz crystal blanks, synthetic quartz and machinery used in production of quartz crystal blanks, medical services, electric power supplies, direct current motors for elevator doors and golf carts, canning of pineapple, steel products, installing of electrical wiring, pre-engineered metal buildings, peach pitting machines, produce bagging machines and carrot bagging machines, leather, griege cloth goods, administrative and quality control functions, sales and service of citizen band radios, repair and conversion of ships, automobile parts, wire rope, wire strand and assemblies, transport services, cartoon animation, socklinings, snap hooks, marine pump housings and marine light housings, pelletized iron ore, store fixtures, grass catchers and athletic equipment.**

Investigations: Of the investigations recently initiated by the Department to determine whether workers at various plants are eligible to apply for adjustment assistance, the products most frequently involved are **apparel products.**

INTERNATIONAL TRADE COMMISSION

Import Relief—Section 201: The U.S. International Trade Commission (ITC) has initiated a new investigation pursuant to section 201 of the Trade Act of 1974, to determine whether increased imports of **fishing tackle** are causing or threatening serious injury to a domestic industry. If an affirmative finding of such injury is rendered, the President may impose import restrictive measures.

Also, the ITC has announced, following a section 201 investigation, that imports of **stainless steel table flatware** are entering the U.S. market in such increased quantities as to be a substantial cause of serious injury to the domestic industry. The Commission recommended that the President institute a five-year program of duty increases as a remedy.

In other section 201 action, a public hearing will be held in the investigation regarding **bicycle tires** and **tubes** on June 6 at 9:30 a.m. in the ITC Hearing Room, 701 E St., NW., Washington, D.C. Requests to appear at the hearing must be received in writing, by the ITC Secretary by noon on May 31.

Antidumping Cases: The ITC has announced its finding that imports of **polyvinyl chloride** from the Republic of China sold in the United States at less-than-fair value are causing injury to a domestic industry.

The ITC also determined that a U.S. industry is being injured by imports of **carbon steel plate** from Japan being sold in the United States at less-than-fair value. (NOTE: The April 24 Trade Briefs incorrectly indicated that a no-injury finding had been made in the case.) The dumped goods will be liable for antidumping duties in the amount of the dumping margin following announcement of a formal dumping finding by Treasury.

Finally, the Commission has instituted an investigation under section 201(c) of the Antidumping Act of 1921 to determine whether there is no reasonable indication of injury from the alleged sales at less-than-fair value in the U.S. of **photographic color paper** from Japan and West Germany. Section 201(c) authorizes the Secretary of the Treasury, following initiation of an antidumping investigation, to request such preliminary advice on injury from the ITC and authorizes him to terminate the case if no reasonable indication of injury is found.

Countervailing Duty Cases: The ITC has found, in the countervailing duty case involving **leather wearing apparel** from Uruguay, that U.S. imports of the subject goods upon which bounties or grants are bestowed by the Government of Uruguay are causing injury to a domestic industry. An injury finding is required in countervailing duty cases only when the goods involved enter the United States duty-free. The Treasury Department has decided to waive imposition of a countervailing duty in this case. (See **Treasury** section)

INTERNATIONAL

Foreign Safeguard Actions: The Government of Australia has recently implemented two import-restrictive measures. First, imports of **wool worsted yarns** have become subject to a tariff rate quota. The tariff quota became effective automatically, according to the Australian trigger price mechanism, when imports of **wool worsted yarns** during the first three months of 1978 exceeded the trigger level. Second, the import relief measures already in effect on certain **files** and **rasps** have been extended through 1978 and **round blunt chainsaw files** have been added to the list of restricted items. Both of the above measures have been notified to the Contracting Parties of the General Agreement on Tariffs and Trade (GATT) under the GATT safeguard provision (Article XIX).

Also, the Government of Portugal has given notice of termination of its import deposit scheme.

Foreign Antidumping Actions: The Canadian Government has announced its determination that **steel wire rope,** some of which has been exported from the United States, is being sold at less-than-fair value. The case has been referred to the Canadian Antidumping Tribunal for a determination as to whether the low-price sales are causing material injury to Canadian production of like goods.

In addition, the Canadian Government has announced initiation of two new investigations regarding alleged injurious sales at less-than-fair value of **pre-painted, free standing, metal utility shelving** and **integral horsepower induction motors** from the U.S.

OVERFLOW ATTENDANCE—*Extra chairs along the wall were put in to accommodate last-minute arrivals for the U.S. computer systems seminar in Athens.*

MARKETS FOR COMPUTERS GROWING IN SWITZERLAND AND S. EUROPEAN NATIONS

Standing-room-only attendance and tightly scheduled appointments characterized a recent U.S. computer systems seminar mission to Spain, Greece, and Turkey. Even a last minute "add-on" stop in Switzerland by three participating firms produced 25 business interviews, underscoring the growing demand for such equipment.

Seven U.S. firms offering computer systems technologies—mini and micro computer, color graphic and electrostatic display, data transmission, software and international teleprocessing — conducted technical sessions for government and private sector end users and held business interviews in Madrid, Barcleona, Zurich, Athens, and Ankara.

Spain and Switzerland are the most sizeable of the markets visited, seminar chairman George L. Zanetakos of the Commerce Department points out. Demand in all four markets is satisfied largely by imports, and the U.S. is the chief supplier.

Exceptional expansion in Spain

Spanish investments in electronic data processing have grown substantially in recent years, and expansion over the remainder of the decade promises to be exceptional—stimulated in part by broader and more sophisticated usage of data communications networks, by new industrial and scientific EDP applications, and by expansion in the number of first-time users. Computer and peripheral equipment sales are forecast to maintain an average increase of 21 percent a year during the next few years, approaching $400 million in 1980.

Minicomputers make up the largest segment of the market; their annual sales are expected to reach $167 million by 1980. Of add-on peripherals, which constitute the second largest segment, vigorous demand is anticipated for terminals as well as advanced data entry, output, and storage equipment. The outlook is also bright for small, medium, and large computer systems; their sales are forecast to surpass $100 million in 1980.

Replacement market in Switzerland

Swiss business and government are in the vanguard of EDP applications in Europe and in recent years have provided an annual market of over $100 million for computers and peripheral equipment. The replacement market is expanding rapidly, as is the number of new purchasers—first-time users attracted by the introduction of less expensive computers and customized software. Expensive local labor and a high degree of cost consciousness in private and public sector activities will continue to stimulate the trend toward automation.

Computer and peripheral equipment sales in Switzerland are expected to maintain an average increase of about 9 percent annually for the last five years of this decade, reaching $175 million in 1980. Demand is strongest for minicomputers and add-on peripherals. Manufacturing, retailing, and banking industries make up over 60 percent of Swiss expenditures for computers and peripheral equipment.

Awareness of need in Greece

Greece's application for early membership in the European Community has increased awareness in both the government and private sectors that effective competition with member states will require increased efficiency and better utilization of computer systems. Commercial sources report, nevertheless, that progress to date has been slow because of difficulty in adapting local business practice to computer use and underutilization of existing installations.

Commercial sources estimate Greek annual expenditure for computers and peripherals at about $10 million. The present computer population, currently more than 200 systems, is expected to increase at an average annual rate of 20 percent through 1980. As computer users become more sophisticated, demand for software packages is also expected to increase.

External financial assistance would be an important factor in the sale of computers in Greece, particularly in view of competitive financing from European suppliers. Because of cost considerations, a high percent of existing computers operate on a rental basis.

Turkish interest strong

Turkey currently is experiencing a serious foreign exchange shortage, and although the computer market may tend to remain at its present $5 million annual level for a few years, some government computer projects—still mostly at the feasibility stage—could produce occasional increases, perhaps to $8 million.

"Mission participants were astounded," said Zanetakos, "at the intensity of interest found in Turkey despite the foreign currency shortage. Seminar attendance was much higher than expected, and after-seminar appointment schedules were tighter than at any of the other stops."

The most promising growth potential is expected to be for applications in business and financial planning, manufacturing, and banking and insurance. Attractive long-term potential exists in government data processing, both central and local.

Results of the group's overall sales promotion efforts were: $275,000 in actual sales, $5.2 million in 12-month projections, nine representatives signed.

Mission members, and the companies they represented, were: Stephen J. Fierberg, Infonet Division, Computer Sciences Corp., El Segundo, Calif.; Paul C. Rogers, Crea/Comp Systems, Inc., Ronkonkoma, N.Y.; Abraham Armoni, Ramtek Corp., Sunnyvale, Calif.; Donald E. Kimberlin, Tele-Dynamics, Division of AMBAC Industries, Inc., Fort Washington, Pa.; David L. Hatfield, Versatec, Inc., Santa Clara, Calif.; Edward J. Watson, Synergetics Corp., Bedford, Mass.; and Donald A. Flanagan, MRI Systems Corp., Austin, Tex. George W. Knowles of the Commerce Department was mission coordinator.

DOCTORS AS CUSTOMERS—*Two doctors from one of Sao Paulo's major hospitals discuss latest products with Harvey Solomon of Meridian Synapse Corp., during U.S. Trade Center's recent medical and hospital equipment exhibition.*

HOSPITAL ADMINISTRATORS, DOCTORS IN BRAZIL LIKE U.S. MEDICAL EQUIPMENT

Though it is often said that doctors no longer leave their offices to make calls, in Brazil recently they showed no hesitation about leaving their offices to visit a medical and hospital equipment exhibition at the Sao Paulo U.S. Trade Center. Hospital administrators and government health officials also attended the exhibition in impressive numbers.

Among the visitors were Dr. Ernesto Fessel, Medical Director, and Juergueps Barbosa, Medical Equipment Procurement Manager, for the National Social Service Institute—the national health agency which controls almost half of the hospitals and clinics of Brazil. Both Fessel and Barbosa visited each booth at length; Fessel returned several times, and formally opened the seminar program held in connection with the exhibition.

The United States has an excellent reputation in medical and hospital equipment, and this exhibition brought together a sample of the most modern and advanced medical technology U.S. industry has to offer. Of special note were the complete body scanners displayed by Ohio Nuclear Inc. and Pfizer Medical Systems, and the computerized laboratory and diagnostic equipment exhibited by Hycel Inc., Syva, Applied Medical Research, Coulter Electronics, Helena Laboratories, R. J. Harvey Instrument Corp., and Xerox.

The success of the show once again points out that Brazil continues to be a good market for high-technology equipment. Floor sales totaled a solid $330,850; and expected 12-month sales, some $11.6 million. Eight representation agreements actually were signed, and another 41 were under negotiation.

Exhibitor Warren Gamble, Culligan International, commented at the show's conclusion: "We were able to get good contact with prospective distributors which should result in representation in Brazil, Chile, Bolivia, and Argentina."

The market for medical equipment in Brazil grew 30 percent a year in the first half of the 1970's and is expected to top $146 million in 1980. U.S. firms currently supply between 35 and 40 percent of the Brazilian import market for such equipment. Among other suppliers, in addition to the Brazilians themselves, are British and German firms.

In marketing medical equipment in Brazil, emphasis should be placed on those instruments and apparatus which have the widest applicability and which would be used extensively by the Brazilian population. The major purchaser of medical equipment in Brazil is the government, through the National Social Service Institute, which purchases equipment for use in its public hospitals and affiliated private institutions.

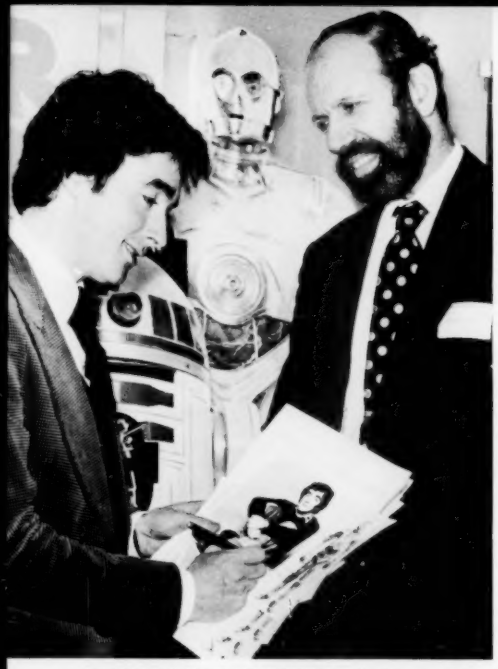
U.K. Minicomputer Imports Seen Expanding, Though Country Is A Producer

Fifty-seven U.S. companies participating in the mini and micro computer exhibition at the London U.S. Trade Center earlier this year report that some $40 million worth of sales are likely to be forthcoming as a result.

Actual sales during the exhibition reached $2.8 million. Outstanding among the contracts signed was that of Tandem Computers, Cupertino, Calif.—a $320,000 sale to Barclays Bank International of a computing system to be used by the bank for foreign exchange transactions.

Concurrently with the exhibition, the

MINI MICRO '78—*At London U.S. Trade Center show, R. H. Rowlands, General Electric (seated), is instructed by Tony Green, RAIR Terminals, about the equipment of Drillick Lamanna Corp. Photo at right: Peter M. Johnson demonstrates for a visitor from Jordan the equipment on display by Basic Timesharing, Inc.*



'STAR WARS' VISITOR—*Anthony Daniels, who played robot C3PO in the hit American science fiction film, "Star Wars," autographs a picture for Prof. Paul Samet, President of the British Computer Society, during the London U.S. Trade Center computer exhibition. Together with the U.S. Department of Commerce's Asst. Sec. for Industry and Trade, Frank Weil, they opened the exhibition.*

Trade Center sponsored a seminar—chaired by Professor Paul Samet, President of the British Computer Society—on the latest advances in mini and micro computers and peripherals. Advance interest was so high that registration had to be cut off a week before the exhibition opened.

As computer prices become more attractive, and as profit margins erode under the combined pressures of inflation and recession in the United Kingdom, end users are expected to intensify their use of EDP equipment for business and commercial functions. British purchases of computers and peripheral equipment, valued at $703 million in 1975, are projected to grow at an average annual rate of 11.5 percent throughout the remainder of the decade to reach a level of $1.2 billion in 1980.

While the United Kingdom is an important EDP equipment producer nation, it is expected to remain a major importer of this equipment, as most local production is shipped to foreign markets. U.S. suppliers, whose equipment has traditionally found a highly favorable market among British end users, are expected to continue as market leaders, supplying 63 percent of imported computers and peripherals in 1980.

U.K. minicomputer imports are expected to expand to an estimated $195 million in 1980, from $127 million in 1976.

U.S. Computer Equipment Exports To Japan Seen Continuing In Strong Market

Another top-notch computer show at the Tokyo U.S. Trade Center has reported top-notch results—once again proving the strength of the Japanese market for such equipment.

Why does the Tokyo Center stage computer-related shows frequently? "Because," says Ray Eiselt, the Commerce Department's Country Marketing Manager for Japan, "each of the previous shows has been more successful than the one before. Because research by both Japanese and American governments clearly indicates strong interest in seeing U.S. computer-related products. Because computer development moves so rapidly that there are new products every whipstitch: 27 new items were exhibited during the recent event. And because each show cannot accommodate all of the companies that want to exhibit."

This latest exhibition took place at a time when imports into Japan are considered essential for both the Japanese and the world economy, and when Japanese corporations are emphasizing labor-saving, cost-saving, and higher-efficiency methods. Also, reportedly, various specific operational problems in Japanese industry and business could be overcome with the adoption of selected items on display. In addition most of Japan's anticipated imports of computers and peripheral equipment are expected to continue to come from the United States.

An unusually broad variety of equipment was on display for this largest computer show in the Tokyo Center's history: micro- and mini-computers, word processing systems, communications processors, intelligent terminals, IC memories, magnetic disk and tape subsystems, digital cassettes, electrostatic printer/plotters, and other products including software. More than 4,000 registered visitors attended.

The representative for Intelligent Systems Corp., Norcross, Ga., said as the exhibition was concluded, "Through this show we found the Japanese color CRT terminal market is very large." And the representative for Houston Instrument Division of Bausch & Lomb, Austin, Tex., commented, "We expect to enter the Japanese market as a direct result of this show."

With 56 companies participating, actual sales during the event amounted to $1,371,800; orders projected during the next 12 months, $30.2 million. (The immediately preceding computer-related exhibition at the U.S. Trade Center in Tokyo was reported in the Jan. 2 issue of *Commerce America.*)

U.S. Exhibitors Welcome At Hong Kong Furniture Show

U.S. firms are invited to participate in the 1978 International Furniture Show to be held in Hong Kong, Dec. 5-10. The event is sponsored by the Project Development Centre, a Hong Kong-based exhibition organizer.

In past years, the exhibition has featured European furniture only. This year, the show will include furniture manufactured in the United States, thus providing Asian dealers and local consumers first-hand knowledge of what is available from U.S. suppliers. For more information, contact Philip Tse, Managing Director, Project Development Centre, 1701-2 Wah Kwong Building, 48-62 Hennessy Road, Hong Kong.

COMPUTER USERS IN JAPAN—*More than 4,000 registered visitors attended the recent Computers and Peripheral Equipment Exhibition at the U.S. Trade Center in Tokyo. Below, overview of second floor exhibition area activity.*

SHARP EXPORT EXPANSION SPARKS CANADIAN UPTURN; INVESTORS ARE RELUCTANT

Canada's economy grew slowly in 1977 and the rate of inflation accelerated, but the U.S. Embassy in Ottawa expects growth and price performance to improve this year.

At 2.6 percent, real GNP growth in 1977 was far below potential growth (about 4.5 percent). A strong expansion of the merchandise trade surplus by C$1.8 billion, linked to depreciation of the Canadian dollar and to sustained growth in the United States, was the main source of growth. A moderate expansion of private consumption spending (2.8 percent) was also a contributing factor. Private investment declined in real terms due, in large part, to substantial excess production capacity.

The rate of increase in consumer prices accelerated during 1977. The consumer price index rose by 8.0 percent on average for the year. Higher food prices, induced to some extent by depreciation of the Canadian dollar, pushed the inflation rate upward. Administered increases in energy and other prices also contributed to inflation. Although the rise in the overall CPI gathered momentum in 1977, the index of all non-food items (one measure of the underlying inflation rate) showed a decelerating trend and advanced by 7.8 percent on average for the year. Wage increases have also declined progressively. Negotiated increases in base wages averaged about 7 percent at an annual rate in the fourth quarter of 1977, compared with an 8.5 percent average increase in the first quarter.

Led by a sharp expansion of merchandise exports, GNP growth accelerated somewhat to a 3.4 percent average annual rate of increase in the second half of 1977. Strong export growth combined with the steady growth of consumer spending should continue as the main support to GNP growth in 1978. However, excess productive capacity and a temporary slowing of energy investment are likely to bring about stagnation or decline in real private investment spending. Official surveys of investment intentions point to a fall in real private investment in 1978. A private survey indicates that while business confidence has improved recently, reluctance to invest continues. Government spending is unlikely to contribute significantly to growth. Consequently, real GNP may rise by 4-4.5 percent this year, a rate insufficient to produce a significant decline in the current high (8.3 percent) unemployment rate, but an improvement over last year's performance.

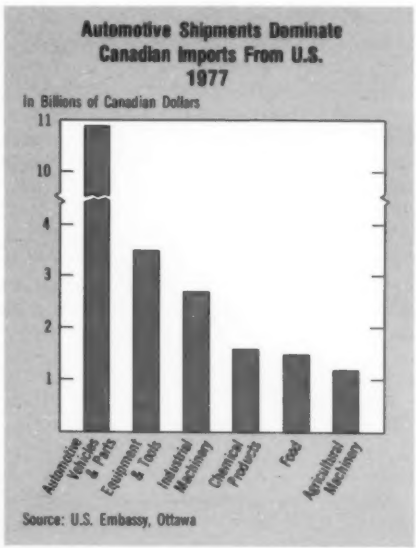
The underlying rate of inflation should continue to come down in 1978. Controls over wages and profits (including dividends) are being phased out. However, it is unlikely wages and prices will accelerate substantially in the immediate post-controls' period since: a) much of business and labor will effectively remain under controls until the end of 1978, and b) weak demand will probably restrain wage/price claims. Smaller wage increases and a pick-up in productivity growth should contribute to deceleration in the rise in unit labor costs.

The actual inflation rate will be influenced by continued further increases in administered energy prices, by the inflationary impact of depreciation, and by large (albeit decelerating) increases in food prices. On balance, consumer prices should rise by 7-7.5 percent this year.

Economic policy is prudent

The Canadian Government's objective is to combine a progressive reduction of inflation with steady growth led by the private sector—primarily by investment and exports. Fiscal policy has been constrained by the desire to hold back growth of the public sector, large federal budget deficits (about 4 percent of GNP) and the large current account deficit. Preliminary federal budget estimates indicate that real spending will rise by 3.5 percent—i.e., by less than expected GNP growth—in FY 79 (April 1, 1978—March 31, 1979).

Although spending is to be restrained, a C$700 million cut in personal income taxes, effective in January and February, the reduction in fiscal drag due to tax indexation, and modest employment tax credits should provide some support to economic activity this year. The federal government financing requirement is expected to be at least C$11 billion in FY 79. Large and increasing deficits are primarily attributable to the slow growth of tax revenues (linked to weak GNP growth) and to extraordinary expenditures, such as a C$2 billion interest payment on Canada Savings Bonds due in November. Most provincial governments have also adopted a cautious spending attitude.



The current account deficit was C$4.2 billion in 1976. In 1977, the merchandise trade surplus nearly tripled to $C2.9 billion under the influence of Canadian dollar depreciation, strong growth of the U.S. economy, and sluggish domestic demand. However, net interest and dividend payments abroad rose C$922 million to C$3.4 billion, reflecting high rates of foreign borrowing, and the travel deficit widened by C$464 million to C$1.7 billion, thus helping to produce a C$1.7 billion deterioration in the service balance. The increase in the deficit on services offset the expansion of the trade surplus, with the result that the current account deficit remained at C$4.2 billion in 1977. Much the same pattern should materialize in 1978—an improved merchandise trade surplus will probably be insufficient to offset the continued deterioration of the balance on services.

The Canadian dollar depreciated by 7.8 percent against the U.S. dollar in 1977 and by a weighted average of 9.4 percent against the currencies of Canada's major trading partners. The depreciation has been due, *inter alia*, to a reduction (from high 1976 levels) in foreign borrowing, to deterioration over past years in Canada's competitive position, to a narrowing of U.S./Canada interest rate differentials, and to speculation. Official exchange rate policy is based on allowing fundamental economic conditions to determine the long-run trend of the exchange rate, but to intervene to correct disorderly market conditions.

Such "smoothing" operations have produced a substantial fall in official foreign exchange reserves and led the government to: a) arrange a U.S.$1.5 billion line of credit through a chartered bank consortium, b) float a U.S.$750 million bond issue in the United States market, and c) to tighten, somewhat, domestic monetary conditions.

Performance differs among provinces

The Atlantic provinces (New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland) have the highest unemployment rate in Canada (12 percent). Growth will continue to be slow and uneven. The outlook continues weak for forestry, construction, manufacturing and retail trade. While the region's significant energy potential and exploitation of the 200-mile fishing zone should lead to increases in investment and employment in the medium-term, the government sector (which accounts for 86 percent of total

QUEBEC SCENE—*Liquids from processing area of paper company at Baie Comeau are circulated through clarifier tank where impurities are removed by flotation.*

final expenditure) will continue as the region's major employer in the short run.

The Quebec economy will probably continue to perform below the national average. The textile, knitting, furniture and leather industries represent nearly 30 percent of total employment in the province and have fallen victim to lower-cost imports, mainly from the developing countries. Import quotas have been imposed in some instances to protect these declining sectors. Between 1976 and 1977, about 85 percent of the total fall in manufacturing employment in Canada occurred in Quebec. In addition, low productivity, high labor costs (the highest minimum wage in North America), uncertainty stemming from the provincial government's declared intention to achieve political sovereignty, and fears of increasing government intervention in the economy, have all acted to inhibit private sector investment. Public energy investment will be the main prop to economic activity.

Ontario should continue to grow at or above the national average. Ontario manufacturers expect that Canadian dollar depreciation will provide them a larger share of an expanding U.S. market. However, continued weakness in North American automobile sales would have a serious impact on the manufacturing sector. The resource sector is depressed and private investment overall could decline this year.

In Manitoba, the decline in net farm incomes in 1977 is expected to be repeated this year, depressing sales of farm machinery and consumer demand. Soft markets for minerals (copper, zinc, nickel) weigh heavily on the mining sector. The new provincial government is moving to reduce the role of the public sector, while encouraging a presently weak private sector to take the lead in promoting growth.

Saskatchewan is also adversely affected by a decline in farm incomes, but bright prospects for uranium, potash and coal output will provide important offsets.

Alberta is Canada's growth leader, with provincial output presently rising at a 6-7 percent annual rate. The oil and gas industry is booming, and the construction and service sectors are strong. The manufacturing outlook is uncertain, but investors are generally bullish.

The British Columbian economy grew by about 5 percent in 1977 and should expand at a similar rate this year. Growth has been led by exports of lumber and paper products. Performance in the mining sector was uneven: price increases lifted revenues from natural gas sales and have sustained a high level of exploration activity, but soft international markets continue to adversely affect copper and zinc mines. Continued work on the Revelstoke Dam project and improvements in Vancouver grain handling facilities should help support construction activity.

In 1977, the value of U.S. merchandise exports to Canada rose by 15 percent to C$30 billion. Nearly 70 percent of total Canadian imports come from the United States.

After a disappointing growth performance in 1977, the Canadian market will expand moderately this year. The 8 percent depreciation of the Canadian dollar against the U.S. dollar since March 1977 will improve the competitive position of Canadian industry and inhibit the growth of imports. The growth of markets will vary considerably across regions and among sectors:

The Maritime Provinces: Development of the region's energy potential should provide investment and sales opportunities. Specific areas include coal mining equipment (Nova Scotia), and hydroelectric development (Newfoundland and New Brunswick). Markets also exist for energy conserving products, commercial fishing equipment and products related to fish processing.

Quebec: Despite its economic problems, Quebec represents a promising market for security-related equipment, electronic components, energy and heating systems (not based on fossil fuels) and process control instrumentation. Interest also exists in laboratory and pollution control equipment. Consumer demand is weak.

Ontario: Importers are generally reluctant to consider new lines. Exceptions are electronics and communications equipment, hardware, housewares and gift items. In general, exporters will have to work hard at selling to the Ontario market.

Manitoba: The provincial government is interested in new investment, in aerospace, health services, electronics, chemicals, plastics and other high technology industries. The aviation industry is optimistic due to Canada's share of production (under a contract with Lockheed) for military patrol aircraft. There is also a possibility of more subcontract work following the federal government's decision later this year on the procurement of new fighter aircraft.

Saskatchewan: Markets continue to exist for machinery in the resource sector—uranium, petroleum, potash. Opportunities for U.S. direct investors will be circumscribed by the increasing public share in total provincial investment.

Alberta: The best prospects for U.S. suppliers continue to be oil drilling equipment and supplies, capital goods for the chemical industry, construction equipment, process control instrumentation and heavy transport vehicles. The possible approval in 1978 of a third tar sands plant and one or more heavy oil processing facilities would present additional opportunities. Construction of the Alcan natural gas pipeline will generate increased market growth here and in British Columbia, but probably not until late 1978 or 1979.

British Columbia: Promising areas for U.S. exports include wood products, harvesting and processing equipment, fresh and processed food, and a wide variety of consumer products.

Revisions to the Bank Act are in the final drafting stage. However, it is unclear when they will be tabled in Parliament. The legislation is expected to be in line with the government's August 1976 White Paper, i.e., that foreign banks will be allowed to become chartered (deposit accepting) banks, albeit with restrictions on total assets and on lending volume, and that the presently domestically-owned chartered banks will be authorized to expand into new areas of business now conducted by foreign operations.

In 1976, the net book value of U.S. direct investment in Canada, including reinvested earnings, was U.S.$34 billion, a 9 percent increase over 1975. This represented 25 percent of total U.S. direct investment abroad and over one-third of U.S. direct investment in industrialized countries.

In 1977, foreign direct investment flows into Canada rose by C$410 million, a sharp reversal from the C$295 million negative investment in Canada by foreigners the previous year. Canadian investment abroad rose from C$555 million in 1976 to C$790 million in 1977. Net U.S. direct investment inflow to Canada in 1977 rose by C$516 million following a C$490 million decline in 1976.

As growth of the Canadian economy accelerates, investment opportunities will expand. Growth in energy-related sectors and services will be particularly rapid. The Foreign Investment Review Agency (FIRA) has not recently been a major obstacle to foreign investment. FIRA's approval requires a finding that the investment (new, acquisition or merger) be of "significant" benefit to Canada. The approval rate is running above 90 percent.

(section continues on page 22)

COMMERCE UPDATE
ON THE DOMESTIC SCENE

SUNSET FOR REGULATIONS—Commerce Secretary Kreps has assessed regulatory reform as a three-sided challenge to Congress, the Executive branch and the business community. In a talk to the Conference Board, sh said Congress could act in two ways: setting expiration or "sunset" dates on regulatory legislation and getting the Congressional Budget Office to study the overall impact of Federal regulations. The Executive branch, she said, can improve its procedures and develop a "regulatory budget" that shows how regulations affect the general economy. And business can reduce pressures for governmental regulation through its own programs for corporate action.

SOARING COSTS OF BUSINESS SECURITY—The cost of combatting crimes against business has risen dramatically, up from $9 billion in 1969 to about $20 billion in 1976 ($30 billion if crime losses are included). A Commerce Department staff study on this situation, "Crimes Against Business: The Cost of Security," is available free by writing Industry and Trade Administration, Room 1104, U.S. Department of Commerce, Washington, D.C. 20230.

U.S. SHOE INDUSTRY RECOVERING—An initial 9-month report on the Commerce Department's program of aid to U.S. shoe manufacturers shows a rise in domestic production and a halt to increases in imports, an "encouraging turn-around" to a 10-year decline, according to Commerce Under Secretary Sidney Harman. Shoe makers who were skeptical when the assistance program was announced now expect significant increases in 1978 output, some as much as 20-30 percent, he said.

FOOTWEAR TECHNOLOGY SYMPOSIUM—U.S. shoe makers and other interested persons are invited to a symposium on development of new footwear technologies and new ways of using existing technologies, at the National Bureau of Standards June 1-2. More than 150 industry representatives are expected. For further details write Mrs. Margery King, Room A-1123, Administration Bldg., National Bureau of Standards, Washington, D.C. 20234.

FEDERAL PROCUREMENT CONFERENCE—The business community in the suburban New York area is invited to meet with procurement specialists from Federal military and civilian agencies and Federal prime contractors for procurement counseling on June 2 at the Rye Town Hilton Inn, Port Chester. John Thomas of the office of sponsoring Rep. Richard Ottinger has details on 914-235-5600.

CONFERENCE ON RECYCLED MATERIALS—Procurement policies, specs, test methods and technical support needed to reduce the barriers to purchase of products using recycled materials will be discussed at a May 30-31 conference at Commerce's National Bureau of Standards. Attendees will include state energy and solid waste directors, public and private purchasing agents, manufacturers, and members of the resource and recovery service industry. Joseph Berke of NBS has details on 301-921-2343.

U.S.-MEXICO TOURISM AGREEMENT—A precedent-setting diplomatic agreement was signed this month by the U.S. and Mexico to facilitate tourism traffic across the border and encourage joint tourism promotions aimed at foreign markets. Mexico is the second largest supplier of travelers entering the U.S., more than 2 million in 1977. Commerce's United States Travel Service assisted in the negotiating of the five-year, renewable agreement.

NEW GUIDES TO MANUFACTURING STATISTICS—Newly issued by the Census Bureau is a "Guide to Industrial Statistics" that presents information on the bureau's three big manufacturing statistics programs—the Current Industrial Reports, the Annual Survey of Manufactures, and the five-year Censuses of Manufactures. It locates data, defines and explains terms and systems, and tells how and where to order reports. Also released is a short version of the guide, "Industrial Statistics Data Finder." The guide is sold by the U.S. Govt. Printing Office, Washington, D.C. 20402 at $2.75, the data finder by Subscriber Services (Publications), U.S. Bureau of the Census, Washington, D.C. 20233 at 50 cents.

AMERICA GETS OLDER—The U.S. trend toward an older population continued in 1977 as the median age inched up to 29.4 years, according to a Census Bureau report. The median age was exactly that in 1960, but declined to a low of 27.9 in 1967, 1970 and 1971.

HOUSING CONSTRUCTION UP—A report this month by the Census Bureau and the Department of Housing and Urban Development shows March construction of privately owned housing units up 9 percent from the March 1977 rate. During the first three months of 1978, 374,700 housing units were completed, compared to 335,200 for the same period last year.

Energy Output Rises, Consumption Growth Cut; Imports Pause In 1978

This article was written by Chief Economist Courtenay Slater in collaboration with Deputy Chief Economist William A. Cox.

Dr. Slater

The United States has made progress both in increasing domestic production of energy and in moderating consumption since the crunch of 1973-74. The nation's basic problem, however, remains: we will remain heavily dependent on oil imports for the foreseeable future unless further progress is achieved.

U.S. energy consumption declined by 5.3 percent from 1973 to 1975 due primarily to the recession in economic activity. This sharp drop curbed total oil imports temporarily, although imports of crude oil were substituted to some extent for imports of refined oil products, as domestic refinery capacity expanded. Consumption regained its pre-recession level in 1976, however, and expanded by a modest 2.1 percent in 1977. Despite the fact that the drop in U.S. energy production was halted, the imported share of total consumption rose from 15 percent in 1975 to 21 percent in 1977.

This production shortfall had to be covered almost entirely by imports of oil, which soared in volume by 41 percent from 1975 to 1977 and had a heavy impact on the U.S. balance of trade and the exchange value of the dollar. It should be noted, however, that crude petroleum inventories increased by an amount equal to about two-fifths of the increase in imports in 1977 and these inventories now stand at exceptionally high levels. Much of this inventory increase was concentrated on the West Coast, due to the influx of new Alaskan production.

The massive energy price increases since 1973 have set events in motion that are acting to curb energy consumption growth and are beginning to turn the production slump around. On the production side, this era has witnessed an oil and gas drilling boom. The number of rotary drilling rigs operating in the United States rose by 14 percent per year from 1972 to 1975. The rig count paused in 1976 while many rigs were redeployed from drilling for oil to drilling for gas, as local shortages and relative price incentives began to favor the latter fuel. In 1977, however, the number of active oil and gas rigs soared by 21 percent, and it continues to rise steeply in 1978. The number of wells drilled, meanwhile, has risen steadily at a rate of 10.5 percent per year from 1972 through 1977. The continuing increase in active rigs augurs a new rise in well completions.

Interesting clues into the nature of drilling can be obtained from patterns of seismic crew activity and the proportions of wells drilled that are dry. The 22-percent rise in seismic crews engaged in 1974 heralded a wave of exploration in new areas not previously drilled ("wildcat" drilling). The decline in seismic measurement in 1975 and 1976, however, reflected a shift from exploring new areas toward drilling to develop known fields more fully. This shift is confirmed by the steady decline in the share of dry holes drilled from 40.5 percent in 1972 to 32.6 percent in 1977. Development drilling was increased to boost current production quickly in response to the high "new-oil" prices and, to some extent, to circumvent price ceilings on "old" or "lower tier" oil. Nevertheless, an increase in seismic crews afield in 1977 presages a rising share of exploratory drilling.

As a result of this drilling activity, extraction of oil and gas in the "lower 48" states appears to have stabilized after four years of decline. Deliveries of crude oil through the Alaska pipeline, which have increased in several steps since last August, will boost total U.S. oil production in 1978 by about 8 percent over the 1977 level as Alaskan production reaches an annual rate of about 440 million barrels. A full year of Alaskan output at this rate in 1979 and a return to full coal production will raise total energy production by perhaps 1 percent more.

The growth of national energy consumption has been slowed by conservation measures now showing results. The sharp drop in the energy-GNP ratios in the oil-embargo years, 1973 and 1974, and in the ensuing recession has not been reversed during the recovery. This ratio showed

Indexes Of Real GNP, Energy Consumption

1972 = 100

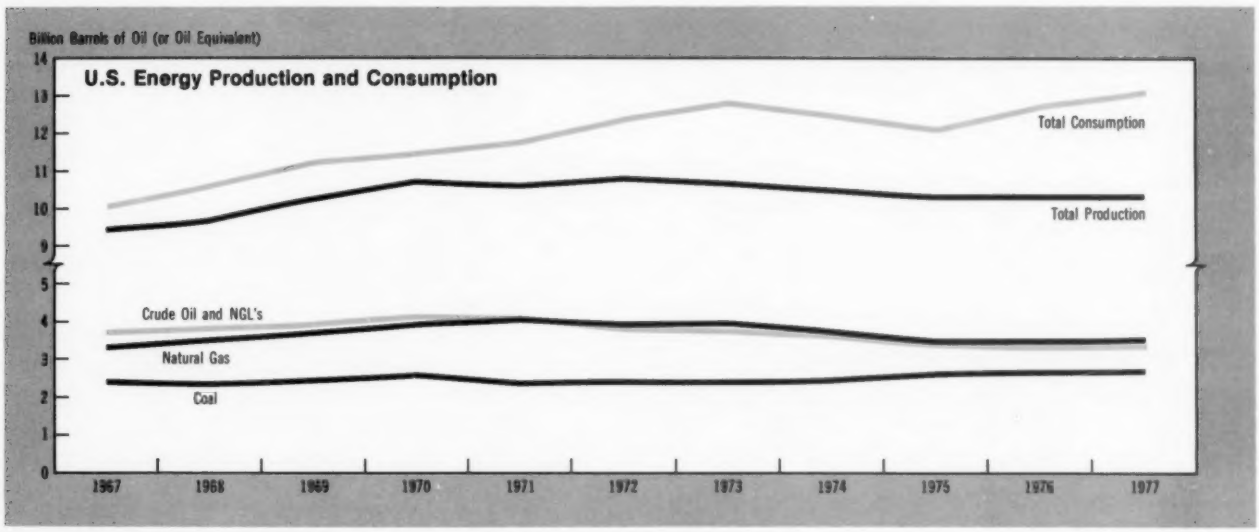
	Energy consumption	Real GNP	Ratio: Energy consumption to real GNP
1970	93.0	91.8	1.013
1971	95.0	94.6	1.004
1972	100.0	100.0	1.000
1973	103.6	105.5	0.982
1974	101.0	104.0	0.971
1975	98.1	102.6	0.956
1976	103.4	108.8	0.950
1977	105.6	114.2	0.925

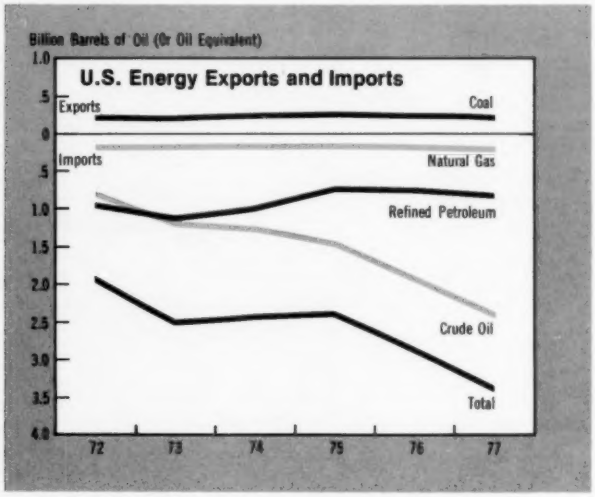
Source: Departments of Commerce and Energy

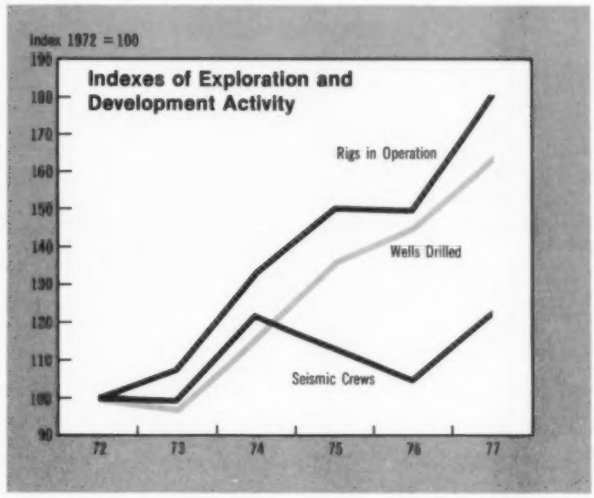
Exploratory and Development Drilling For Oil and Gas: Growth, 1971-77

Year	Oil wells	Gas wells	Dry holes	Total wells
	Percent change from previous year			
1971	—8.9	—0.3	—9.7	—8.1
1972	—4.7	28.7	8.8	5.6
1973	—12.4	29.6	—6.8	—2.6
1974	29.1	13.4	13.3	19.2
1975	28.3	4.5	13.5	17.5
1976	4.0	19.9	2.8	6.8
1977	10.7	25.1	7.5	12.8

Source: Department of Energy







another big decline in 1977. One reason for slower growth is the radical improvement in the fuel economy of the American automobile. New U.S.-made cars are getting about 70 percent more miles per gallon today than in 1973. More efficiency improvement is expected in the 1980's, and these new cars are steadily replacing the older, less efficient cars in the auto fleet. The growth of gasoline demand has slowed steadily during the economic recovery and may be expected to halt in the early 1980's. Private surveys indicate, furthermore, that over 25 percent of American homeowners have taken some steps to improve the energy efficiency of their homes since 1975. Needless to say, widespread actions also are being taken by industry to improve energy efficiency.

On the assumption that real GNP will grow by about 4.2 percent in 1978, national energy consumption is projected to grow by some 2.6 percent based on relationships developed by the Department of Energy. Together with the expected increase in energy production, this implies a cutback in oil imports of about 4 percent, if fuel inventories remain constant.

Actual oil imports for the first quarter of 1978 were down by 12.5 percent from a year earlier. However, this respite from rising imports will be shortlived. If the economy continues to expand at the same pace in 1979, oil imports would increase again. The growth of imports, as the marginal component of energy supply, is quite sensitive to the rate of economic growth.

Despite the progress that is being made in domestic energy production and efficiency, therefore, the United States must intensify its efforts in these areas. Newly released projections by the Department of Energy show that, with already enacted energy policies, energy imports are expected to rise from today's levels throughout the 1980's (see Energy Information Administration, Annual Report to Congress, 1978). In the most optimistic projection, imports of oil and natural gas in 1985 would be 10 percent higher than the 1977 levels; in an intermediate projection, imports rise by 36 percent; in the most pessimistic case they go up 53 percent. Any future energy price increases would mean still larger rises in the bill for imports. It is clear, therefore, that substantial further progress must be made in the direction that the nation already is taking, if America is to arrest, not to mention reverse, her dependence on foreign energy supplies.

BULGARIA REDUCES GOALS TO MORE FEASIBLE LEVELS; TIES WITH U.S. WELCOMED

Bulgaria's economic performance during 1977 was below expectations of the annual plan, but it still was respectable, reports the U.S. Embassy in Sofia. National income reportedly grew by 6.3 percent, and industrial output by 6.8 percent. Agriculture showed a significant decline, dropping 6.3 percent from the 1976 level.

Overall, the economic showing of the second year of the current Five-Year Plan was not strong, and the goals for this year, and most likely for the remainder of the five-year period, have subsequently been reduced to more attainable levels. Nevertheless, the basic priorities remain intact. Industry is to receive the heaviest emphasis, particularly machinebuilding, electronics, electrical equipment and chemicals. Next in priority will be efforts to boost agriculture, and finally the consumer will have to wait a bit longer for substantial improvement in the standard of living.

As Bulgaria moves from a period of extensive to intensive economic development, the rapid growth rates of the past will be more difficult to maintain without significant structural changes. The economy is already troubled by low labor productivity, inefficient management, unused plant capacity, and obsolete or outmoded production techniques. While these problems are recognized, existing efforts to improve the situation have not proven successful, and organizational and personnel changes aimed at dealing with the problems will continue to be the norm. Nonetheless, Bulgaria is determined to develop an industrial base and will continue to devote considerable effort and resources to priority areas of the economy, even if this entails uneven performance or dislocations in other sectors.

For the foreseeable future, mineral resource development coupled with programs aimed at reducing raw material inputs and wastage will have a high priority as Bulgaria tries to limit its growing dependence, and expenditures, on imported raw materials. Exploitation of existing resources including marble, copper, and other nonferrous metals will continue, and Bulgaria will extend its search for new raw materials including petroleum onto the Black Sea shelf. There are also ambitious programs to expand the output of electricity by increasing the number and capacity of thermo, hydro and nuclear-fueled electric powerplants. Nevertheless, Bulgaria is not richly endowed with natural resources and will continue to import the vast bulk of its energy resources and other raw materials from the Soviet Union.

In recent years, Bulgaria has increasingly turned to the West for goods and technology to supplement what it can obtain from communist markets. U.S. firms have participated in this upturn of trade with the West although not to the extent that the Western Europeans and Japanese have. Nevertheless, U.S.-Bulgarian trade has increased substantially in the last six years, from $3.5 million in 1972 to $41 million in 1977.

Trade in 1977 showed a large drop from the 1976 level of $70 million. However, the decrease was due largely to an almost 50 percent decline in Bulgarian exports of tobacco—their number one export to the United States—and a sharp drop in U.S. agricultural exports. U.S. exports of nonagricultural products actually showed strong growth, moving to $21.4 million in 1977 from $11.7 million in 1976. Furthermore, the full extent of U.S.-Bulgarian economic ties is somewhat understated because much of the trade in chemicals, electronics and other products is handled by European subsidiaries of U.S. firms and thus does not appear in U.S. statistics.

One of the principal stumbling blocks to increased U.S.-Bulgarian trade, according to many Bulgarian officials, continues to be the high tariff duties Bulgaria faces as a consequence of not having a Most-Favored-Nation trading agreement with the United States. This has hampered Bulgarian efforts to increase exports to the United States and earn hard currency for additional purchases. However, Bulgaria has been willing to work within the present framework of existing conditions to improve trade with the United States. American know-how, advanced technology, machinery and equipment is eagerly sought to maintain industrial growth and to improve agricultural performance.

In particular Bulgaria will require labor-saving and energy-saving techniques, processes and equipment to meet the declining rate of growth of the labor force relative to the economy's needs and to reduce energy and raw material industrial inputs. In addition, increasing attention is being given to improving environmental quality. This may open up opportunities in the field of pollution control devices for heavy industry, especially steel, chemical and cement plants, and in waste water technology. Bulgarian authorities, for example, have set as a goal the improvement of air quality in the region affected by the Kremikovtsi metallurgical combine near Sofia by the 1980's. This will require large expenditures for sophisticated control devices.

The leading sector of Bulgarian industry is machinebuilding. It is important for Bulgaria's trade within COMECON and Bulgaria has expressed strong interest in U.S. technology and know-how for the development of its machine tool industries. In particular, there is strong interest in numerically-controlled machine tools. Opportunities include production licenses and specialized equipment for use in Bulgarian plants. Construction equipment and systems for production of building materials are also areas with substantial commercial potential.

Relying on Western components

The Bulgarian electronics industry continues to rely on numerous Western components. American computers are strong competitors for a wide range of computer needs, from large systems to small, special purpose machines. Bulgaria is a producer within the COMECON framework of magnetic discs and tape drives and calculators and is interested in cooperation in this area. In the fields of communications and avionics, Bulgaria also looks to the West for many of its complex equipment needs.

The chemical and rubber industry plans to expand rapidly its capacity for production of petrochemicals and products in the next few years. With the start of the Orenberg natural gas deliveries to Bulgaria, new opportunities will open up in the petrochemical industry. Opportunities also exist for licensing new pharmaceuticals and cosmetics. A number of large projects are slated for completion during the current Five-Year Plan, including a multimillion-dollar expansion of the Devnya chemical complex. Although much of the basic engineering and equipment for these facilities—as in other segments of Bulgaria's economy—will be of Soviet origin, Bulgaria has indicated a high interest in American equipment for process control and automated operation of the new plants.

In the field of agriculture, Bulgaria's policy of mechanization will require large purchases of farm equipment. Bulgaria will also continue to seek imports of live

AT PLOVDIV FAIR—*Peter Malthaner, European Service Manager of Orion Research, Inc., Cambridge, Mass., discusses his firm's equipment with interested Bulgarian visitors at 33rd International Fair.*

cattle, swine and frozen semen to upgrade the quality of its herds. Bulgaria's need for agricultural chemicals is also a source of potential U.S. sales. The program to bring more land under irrigation could also open up possibilities. In addition, opportunities exist in the areas of food processing and handling, and meat and dairy processing equipment. Perhaps the largest single opportunity for sale of equipment and services is presented by the Silistra complex, a 300,000-acre integrated agrobusiness operation. Although the planned development of the region evidently will be stretched out over a period of time, it eventually will encompass grain production, animal raising and meat processing.

Bulgarian laws do not permit foreign firms to make direct equity investments on Bulgarian soil, but cooperation and buy-back arrangements are strongly encouraged as a means of reducing hard currency expenditures. Countertrade agreements in particular have become more important as efforts to reduce hard currency deficits continue. This means that flexibility and creative efforts will be increasingly necessary for major sales of equipment, projects and technology. It is extremely important to U.S. business that it modify its marketing to suit the Bulgarian market. Final price on bids, rather than expensive embellishments on equipment, often plays the decisive role in determining who will receive a contract. Multiple bidding and lengthy negotiations are the rule, and most firms must be prepared for an offer of Bulgarian goods in partial payment.

Although the structural complexities of the Bulgarian Government and the difficulties of contacting the appropriate officials early in the marketing strategy are often definite obstacles in some commercial negotiations, Bulgarian officials are beginning to show greater understanding of Western business methods; this will tend to make the mechanics of commercial activity somewhat easier. In addition, improvement in U.S.-Bulgarian political relations is reflected in commercial relationships as well. This past year the United States saw the signing of several important governmental agreements and more are expected to follow.

Last year the United States officially participated at the Plovdiv International Trade Fair, as it has for the past several years, and three technical sales seminars were sponsored by the Department of Commerce. In 1978 the United States will again have a pavilion at the Plovdiv Fair in September, and technical sales seminars on petrochemical processing equipment, meat and dairy processing equipment, and garment production equipment are scheduled during the year. In addition, the Bulgarian-U.S. Economic Council, sponsored in part by the U.S. Chamber of Commerce, will hold its annual meeting in Sofia.

Brazil Shows Some Success In Policy To Slow Inflation, Improve Payments Position

In 1977 Brazil made substantial progress in improving its external payments position and in reducing inflation. The outlook is less clear for 1978, reports the U.S. Embassy in Brasilia, partly because of drought in the agricultural south-center regions of the country.

Since late 1976, the Brazilian Government has pursued a policy of lower growth. Having relied largely on monetary measures, the authorities concluded that they would have to restrain public sector investment spending, which had been increasing rapidly in the preceding years. In a further step, Finance Minister Simonsen, in May 1977, was given new powers to control prices. Results of these new policies began to be felt by mid-1977. The 46.3 percent inflation rate of 1976 was reduced to 38.8 percent in 1977.

Brazil's current account deficit was $3.9 billion in 1977, compared to $6.0 billion in 1976. The trade account showed a small surplus of about $140 million. Brazil's external financing requirements were substantially lower in 1977 than in previous years. The external debt, public and private, reached an estimated $31.2 billion; foreign exchange reserves rose to $7.2 billion.

Brazil's GDP was on the order of $164 billion in 1977, or $1,452 per capita, in terms of current dollars. Real GDP growth fell to 4.7 percent, well below the 9.2 percent growth of 1976, contributing to a growing sense of frustration in various sectors of the economy. Powerful industry associations, particularly the capital goods and electrical equipment manufacturers, have expressed fears of growing excess capacity from 1978 onward. Some associations are demanding further protection from imports and restrictions against the new entry of foreign firms.

In 1978, efforts to improve the balance of payments and the fight against inflation will continue to guide Brazilian policy, but the task will be complicated by the effects of the drought. The authorities hope to hold price increases this year to the 30-35 percent range. Exports will suffer from supply shortages of certain agricultural products and are unlikely to show significant gains. Because of the mix of policies chosen by the government, the economy's rate of growth may be marginally higher than last year.

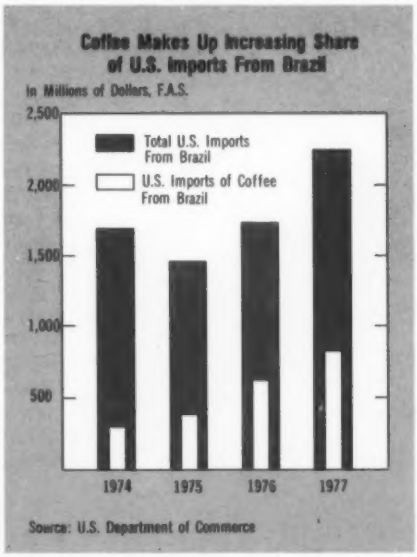
In 1977, Brazil imported $2.36 billion of U.S. goods, representing 19.7 percent of total Brazilian imports, compared to $2.84 billion in 1976, which was 23.1 percent of total imports for that year.

In recent months, the Brazilian Government has decreed a number of modifications of its import restrictions:

- In June, the prior import deposit was waived in the case of machinery and equipment imported by government agencies and state enterprises and the import duties on electric power equipment were reduced by 80 percent.
- In July, President Geisel granted petroleum equipment to be used in the development of the Campos Basin a two-year exemption from the requirement that state enterprises buy Brazilian equipment whenever available.
- In August, a number of items, including edible fruits, fish, animal fats, and certain motion picture cameras and projectors were removed from the list of prohibited imports.
- In September the prior import deposit was waived for a number of products, including copper, lead, zinc, metallic ores, aluminum scrap, and parts and components for the manufacture, repair and maintenance of aircraft. This waiver was also extended to a broad range of medical equipment provided it is financed by foreign credits of five years or more.

These apparent relaxations in the import restrictions, however, were intended mainly to have an anti-inflationary effect and to deprive LAFTA suppliers, exempt from the deposit, of windfall profits; they should not be seen as a significant change in the government's import substitution policy. The changes benefiting government agencies and enterprises (except for the exemption of Petrobras from the "Law of Similars") will decrease the cost of imports but will not, in themselves, increase the volume of imports, which is fixed by quotas assigned to each agency.

The Brazilian Government continues to push its import substitution policy vigorously, using such mechanisms as the investment incentives program administered by the Council for Industrial Development (CDI) and CACEX (the foreign trade department of the Bank of Brazil), and the



Brazil Called 'ADC,' With MTN Role

Brazil's continuing economic emergence gives it new and added responsibilities to work toward the lowering of tariff and nontariff barriers to trade, a U.S. Government official recently told the Brazilian-American Chamber of Commerce.

In remarks prepared for a May meeting of the group in New York, Assistant Treasury Secretary C. Fred Bergsten referred to Brazil as an "ADC"—Advanced Developing Country—in distinction to a "PDC" or poorer developing country. He emphasized export subsidies as one area in which Brazil can use its influence to good effect at the current Multilateral Trade Negotiations in Geneva.

Bergsten made these points:

"We of course recognize that subsidies can play an important role in national economic policymaking. Flexibility in the rules is needed for countries on different rungs of the development ladder. We expect fully developed countries to subscribe to all the provisions of an eventual agreement. At the other extreme, the poorest developing countries with the greatest need should be accorded special and differential treatment.

"For those nations which lie between these two categories—Brazil and other ADCs—the new code should recognize their growing responsibility in the world trading system, and provide for increased obligations as their industries become internationally competitive. Naturally, we do not expect this to happen overnight. A commitment to freeze the existing level of subsidization of exports might be a first step.

"And then might it not be sensible for Brazil, and other ADCs, to embark on a deliberate and announced course of winding down—and eventually eliminating—their export subsidies? This could be negotiated to occur over a certain period of time. In return, guarantees might be included in the MTN agreement to ensure that other countries respond constructively, and apply countervailing duties only when a subsidy is shown to have injured an industry in the domestic market.

"Such an arrangement would be similar in many respects to a recent agreement between Treasury and the Government of Uruguay regarding subsidies and countervailing duties. Uruguay agreed to phase out all its export subsidies on leather products by the beginning of 1979, and on all other products by 1983. In return, Treasury agreed to waive application of countervailing duties on footwear and leather products receiving export subsidies. We believe this agreement, which demonstrates both the merits and the practicality of a comprehensive approach, will greatly improve the climate for trade between Uruguay and the United States by neutralizing a major disruptive threat to Uruguayan exports.

"An agreement regulating the use of subsidies and countervailing duties is one area of the MTN where positive action by Brazil is crucial. It seems to us that the United States and Brazil should work closely together on all these issues, sharing as we do the perspective of great exporters of both industrial and primary products. Surely it would seem that such an emphasis would more benefit Brazil's stature and interests than any continuing focus on receiving "special and differential treatment" and bindings of tariff preferences—which hardly seem likely to be the central issues for Brazil's trade relations through the 1980's, the period for which the MTN will provide the global trading framework."

continued denial of official credits for the purchase of foreign goods. In the projects approved for investment incentives by CDI during 1977, the share of imported equipment declined to 35 percent, compared with 43 percent in the same period of 1976.

Brazil's import substitution policy limits imports virtually to essential industrial materials and to advanced types of machinery and equipment not produced in Brazil. In the latter category, U.S. products remain in strong competitive position, as shown by the high growth rates of U.S. exports to Brazil of such items as machine tools, process control instrumentation, mining machinery, pumps, valves and compressors, thermal power equipment, and filtration and purification equipment. Highest investment priority will be given to the petroleum, petrochemical, and electric power industries, and U.S. export opportunities should be very good.

It remains the Brazilian Government's policy to encourage foreign investment in general, because of the impetus to growth and industrial development given by foreign capital and technology. On March 30, 1977, however, that policy was refined by resolution of the Council for Economic Development outlining an attitude of greater selectivity towards foreign investment in the future. Under the redefined policy, the CDI and other agencies granting investment incentives are to seek, on the one hand, to avoid monopoly situations, and on the other hand, to avoid an excessive number of producers of any given product.

In the implementation of this policy, it has on occasion proven difficult to determine whether the product the foreign investor proposed to make is the same as that of existing Brazilian manufacturers, as well as to make a judgment as to how many producers of a given product Brazil should have. This has created complications for several projects proposed by U.S. firms. Nevertheless, 1977 CDI approvals for U.S. projects, both wholly-owned and joint ventures, were substantially larger than in 1976; the value of U.S. investment projects approved by the CDI rose from $150 million in 1976 to $222 million in 1977.

ARGENTINE FOREIGN TRADE REMAINS AT HIGH LEVEL DESPITE DOMESTIC SLUMP

The Argentine economy is currently experiencing a recession, but economic activity is expected to return to normal levels during the course of 1978, according to the U.S. Embassy in Buenos Aires. Investment is projected to reach 24 percent of GNP in 1978 and should be a stimulus to economic recovery.

Argentina should again have a sizable balance of payments surplus this year. Capital goods imports are likely to continue at 1977's record levels, stimulated by the availability of reserves and the lowering of tariff and non-tariff barriers. Prospects are good, therefore, for U.S. exporters of capital goods to Argentina, where a number of major projects in the hydroelectric, mining, communications, petrochemical, pulp and paper and steel sectors are imminent.

The terrorist threat has been greatly reduced in Argentina today, and security for businessmen is not the overriding consideration it once was.

Policy worked too well

After recovering nicely in 1977 from the recession of 1975 and 1976, the Argentine economy began to slump again late in 1977, following a government decision to cool down the economy, which was overheating and threatening to reverse the declining trend of inflation. The level of activity is still considerably below normal. It appears that by a combination of restrictive monetary policy and high interest rates the government has succeeded all too well in its goal of cooling the economy —probably to a greater extent than intended.

Nevertheless, interest rates have declined substantially recently and there presently seems to be no other major obstacle to recovery than depressed demand. Reviving demand could, however, prove difficult, as the government cannot, or will not, apply fiscal stimulation in view of its anti-inflationary policy, which has first priority.

It is possible that recovery will be led in the final analysis by investment spending, which is projected at about 12 percent

of GNP for each of the public and private sectors in 1978. It was investment which was responsible in 1977 for a good deal of the buoyancy of the economy (gross fixed investment totaled 20.4 percent last year).

As it is likely that there was a drop in growth during the first quarter (following a 4.4 percent increase in GNP for 1977), official projections for a GNP growth rate of 5 percent in 1978 seem overly optimistic. GNP is not likely to grow more than 2 percent this year, but a 5 percent or higher rate of growth in 1979 is likely.

Gross foreign exchange reserves are currently past the $5 billion mark—over a year's imports. This year is expected to close with a trade surplus of approximately $750 million and a balance of payments surplus of $1.7 billion. The trade surplus would be less than last year's ($1.7 billion) largely because the wheat crop and wheat exports are expected to be off considerably this year because of less favorable climatic conditions and because prices at the time of planting were not viewed as particularly stimulating by Argentine farmers. Though the decline in wheat exports will be compensated to some extent by increased exports of corn and other farm products, the record levels of agricultural exports of 1977 will not be repeated.

Outlook for imports

It is difficult to determine whether imports as a whole will increase significantly in 1978 given an assumption of 2 percent growth of GNP. There will probably be modest growth and total imports may reach $4.2 billion in 1978. This projection is based on a number of factors: reserves are at an all-time high, tariff barriers continue to be reduced substantially (the average duty on machinery for example, has gone from about 90 percent to 50 percent in the past year and a half), import licensing regulations are greatly simplified, the government's exchange rate policy continues to favor imports as the dollar becomes progressively cheaper, and, finally, Argentine industry continues to require a significant amount of replacement of existing equipment which is technically outdated and worn out. The pinch of foreign competition promoted by the lowering of tariff barriers should give local industry an additional reason to want to replace outdated machinery. This point of view implies that capital goods imports will at a minimum remain at last year's levels, the highest in recent Argentine history: $1.073 billion.

In the capital goods category, best sales prospects for U.S. firms over the next year are likely to be in the following areas: machine tools, power generation and transmission, petrochemical plant equipment, heavy construction and mining equipment, communications equipment, oilfield equipment, pulp and paper mill machinery and steelmaking equipment.

IMPORTANT ARGENTINE EXPORT—*Workers in the port city of Rosario ready grain for shipment to overseas markets. After a record harvest in 1977, grain exports are expected to be down considerably this year because of less favorable climatic conditions and poorer prices prevailing at the time of planting. As a result of the drop in grain shipments, Argentina's trade surplus will be smaller than last year's $1.7 billion.*

These are the sectors in which there are major investment projects pending at the moment. A sampling of these projects includes:

- A $3.5-billion hydroelectric project at Yaciereta-Apipe on the Parana River, where construction services, earthmoving equipment and electromechanical sales are possible.
- A $1-billion copper mining project planned by St. Joseph's Minerals in San Juan Province, which will require earthmoving, smelting and mining equipment.
- Contracts for several hundred million dollars over the next five years to upgrade Argentina's communications system by installing new telephone switching equipment, telex modems, expanding the microwave network, and installation of coaxial cables.
- Expansion of the rural road network through a $105 million World Bank loan, which will require purchasing of a considerable amount of road construction equipment by local construction firms.
- A $400-million petrochemical complex construction project, which will include a PVC plant, low and high density polyethylene plants, a VCM plant, expansion of the existing ethylene plant, a caprolactam plant and a phenol-acetone plant.
- An industrialization project for small and medium firms' bank credit.
- Construction of a gas pipeline between Neuquen and Santa Fe Provinces. Compressors will be needed.
- A large copper mining project at Bajo De La Alumbrera in Catamarca Province, promoted by Fabricaciones Militares, the armed forces industrial complex.
- Wood processing equipment for a pulp mill to be set up in Misiones Province by Celulosa Argentina, with approximately $70 million in imported equipment.
- Construction of a blast furnace (worth about $10 million) for a steel mill in Chaco Province by the firm Tamet.

Noteworthy development

U.S. exporters should pay close attention to the drastic decline in tariff rates, applicable particularly to machinery and intermediate goods, which has occurred in Argentina over the past year. Not only have tariff levels been reduced on most items, but for machinery which is not produced locally, rates in many cases will go down as low as 10 percent after July. This is true of equipment in BTN chapters 84 and 85, which includes the following categories: generators, motors, food processing machines, construction and materials handling equipment, machine tools, office machinery and electrical machinery.

Additionally, import licensing procedures for all types of goods have in general been greatly simplified. In fact, import approval today is almost automatic. The Central Bank has recently again relaxed the terms which importers must obtain for the financing of capital goods imports. The value of goods which can enter without financing has been raised from $50,000 to $250,000. In addition, the upper value limit of imports which can enter under a 5-year repayment schedule without necessitating special arrangements approved by the Central Bank has been increased from $2 million to $5 million.

Singapore Gets Good News About Domestic Economy, But Is Wary Of Foreign Trends

Despite the frequently expressed worries of Singapore's leaders about potential problems facing the country, Singapore turned in a sterling economic performance in 1977, according to the U.S. Embassy there. Real income rose nearly 8 percent, inflation was moderate, unemployment fell, foreign investment rose and other economic indicators were uniformly positive.

While welcoming the good news, Singapore's leaders remain wary of foreign trends which may adversely affect them and over which they have little or no control. Protectionism is at the top of the list, closely followed by the increasingly common foreign view of Singapore as a lower-income developed country rather than an advanced LDC, and moves in the United States which could possibly discourage the further flow of investment into Singapore's manufacturing sector.

For American manufacturers, the recent decline of the U.S. dollar presents an excellent opportunity to penetrate a small but sophisticated and relatively affluent market as well as to position themselves to take advantage of demand generated by rising incomes in other countries of the region.

Singapore's industrialization process continues with increasing government efforts to attract higher technology and higher value-added, export-oriented industries to Singapore. The 1978 Budget, announced in early March, calls for the introduction of major new incentives for manufacturers in Singapore. The most prominent of these is an investment credit scheme whereby between 10 and 50 percent of fixed capital investment in certain manufacturing projects can be deducted from net taxable income. If profits in the first year of operations are insufficient to exhaust the credit, it can be carried forward to succeeding years. This new program is designed to complement Singapore's existing "pioneer industries" scheme which provides preferential tax treatment for selected new industries. The credit scheme should be of greatest importance to enterprises which are relatively unprofitable in the initial years. The government also hopes to encourage companies engaged in warehousing activities to begin local assembly or manufacturing of spare parts.

Singapore Big Jet Buyer

The recently announced agreement of Singapore Airlines to purchase thirteen 747 jumbo jets and six 727s from Boeing represents one of the biggest single orders in aviation history. The total value of the contract, including parts and spare engines, is about US$900 million. Delivery will be between year-end 1979 and 1985. Singapore's desire to equip its air fleet with the latest, more powerful version of the Pratt & Whitney engine is reportedly the main factor behind the purchase.

Despite the stress on manufacturing, Singapore's economy is still highly dependent upon the entrepot trade, which accounts for over two-thirds of its GDP. Its manufacturing industries are also heavily export-oriented so the country is heavily dependent on the economic health of the developed world and its Southeast Asian neighbors for its own prosperity. The Monetary Authority of Singapore has projected an annual growth rate of 6 to 8 percent in real terms for the next few years.

Barring a sudden economic slump or a drastic increase in protectionism, Singapore's 1978 performance should be comfortably above that lower limit. Several factors, indeed, could cause a growth rate higher than 8 percent; for example, a substantial increase in oil exploration activities in Indonesia or significant liberalization of Japanese import policies as a result of U. S. pressure.

Foreign investment should continue to be attracted to Singapore by the country's stable political situation, strategic geographic location, excellent financial and communication services, skilled labor supply and government encouragement of new investment. It is too early to predict the impact on Singapore of President Carter's proposed changes in U. S. policy on corporate tax deferral on American investment, but it appears unlikely that changes in the law would have as significant an impact as some critics predict. Certainly the de facto withdrawal of OPIC insurance coverage in Singapore last year had almost no impact, despite expressed fears that U. S. investment interest would lessen.

Singapore showed a modest surplus in trade with the United States for the first half of 1977, but ended the year with a deficit of $43.4 million. The fall in value of the U. S. dollar against the Singapore dollar of about 6 to 7 percent in the past several months provides attractive opportunities for U.S. exports to the region, especially since the Japanese yen has concurrently appreciated significantly against the Singapore dollar.

In Southeast Asia, of course, the Japanese are the major competitors faced by U. S. business. But the United States is still Singapore's largest supplier of capital goods and industrial equipment, and good opportunities exist for sales of such American manufactures as electronic production and test equipment, pumps, valves and compressors, energy systems, process controls, communications equipment, security and safety equipment, automated business machines, computers and computer-related equipment. There are also good markets for medical, surgical and hospital equipment, pollution control equipment, and a small but affluent market which is receptive to quality U. S. consumer goods.

LOADING AT SINGAPORE AIRPORT—*Palletized cargo is loaded onto a Singapore Airlines' B707 for European destinations. Arrival of new Boeing aircraft (see box, above) will revamp the Singapore air fleet, which has grown rapidly in recent years.*

According to press reports, many U. S. companies in Europe are finding that the depreciation of the dollar is affecting their costs of doing business and offsetting much or all of their increase in sales. In Singapore, where the U. S. dollar and yen are on diverging courses vis-a-vis the Singapore dollar, the rise in business costs should be moderate compared to the overall competitive gains.

Thus, American companies have what may be a unique opportunity to establish themselves in the region for sales not only in Singapore but to its Southeast Asian neighbors. Many technically qualified and aggressive trading companies in Singapore have good contacts throughout the region and would be extremely interested in adding quality U. S. lines.

DEVELOPMENTS IN TURKEY SEEN FAVORING U.S. TRADE

Several developments since the beginning of 1978 should have a positive influence on the outlook for U.S. trade with Turkey, according to Jack M. Carle, Commercial Attache at the U.S. Embassy in Ankara. A new Turkish Government is in place; an economic stabilization program has been drawn up and is in process of implementation; and a standby agreement with the International Monetary Fund has been approved in principle and could greatly ease a severe balance of payments situation.

But the payments problem remains critical, and American suppliers to the Turkish market should be prepared either to offer generous financing or to accept payments delays. On balance, however, long-range development needs make Turkey an attractive market, particularly for exporters of capital goods.

Atmosphere of confidence

In mid-January, following an extended period of political uncertainty, a new Turkish Government was sworn in by President Korutürk. Although supported by a narrow parliamentary margin, it was installed in an atmosphere of confidence that it could act decisively to address the country's severe economic and social problems.

To date that optimism has largely been borne out, and some of the hard decisions concerning the economy have been taken. The Turkish lira has been devalued by 23 percent, measures to contain the budget deficit and stem growth of the money supply announced, and a reduction in booming import levels planned, among other steps. Further measures are expected in the near future, including tax reforms and possibly some form of price restraints.

At the same time, negotiations with the IMF on a standby agreement—begun in mid-1977 by the previous government and suspended in December just prior to its fall—were resumed in February. A month later, signature of a letter of intent was announced which clears the way for $450 million in IMF support over a two-year period.

Even more important, the IMF agreement is expected to provide a signal to the international banking community which, it is hoped, will permit a renewed inflow of commercial loans. These had been virtually suspended during the previous year.

But problems not yet resolved

But despite progress during the first quarter, Turkey's payment problems, which dampened trade prospects during the previous 12 months, are by no means yet resolved. Commercial arrears are estimated to total up to $2.5 billion. Other obligations due or coming due this year may equal that amount. And although reduced from last year's record level, imports will total about $5 billion. Thus, roughly $10 billion may be required by year's end. With export revenues estimated at $2.3 billion and workers' remittances and other current foreign exchange revenues at no more than $1.5 billion, it is not easy to see at this point how the gap will be closed, even with IMF support. Exporters will therefore undoubtedly continue to be required to arrange extended payment terms for any sales they make to Turkey.

Nevertheless, for suppliers in a position to offer credit arrangements acceptable to Turkish buyers or to wait some time for payment, sales prospects are good as Turkish needs are great. The most immediate requirement continues to be energy-related capital equipment. Probably of equal importance to the Turkish payments problem is the Turkish energy problem. Equipment associated with the generation of electric power and with the construction of installations to exploit rich indigenous energy sources thus remains a best prospect.

Construction equipment in general will be promising over the long run while other large development projects are carried out, as they inevitably will be in spite of current financial bottlenecks.

Other noteworthy requirements follow from the need for increased export revenues. Rich in potentially exportable agricultural resources, Turkey must upgrade the efficiency with which that potential is exploited. For this reason suppliers of agricultural, food processing and textile manufacturing equipment are in good position to share a growing market for their products.

Although competition is stiff from European, Japanese and, increasingly, East European suppliers, American products are well regarded and, in many instances, preferred in Turkey. With innovative financing and aggressive marketing this favorable position can prove to be profitable to American exporters.

BRIDGE ACROSS THE BOSPORUS—*This link between Turkey in Europe and Turkey in Asia not only facilitates the movement of traffic between the two continents, it has also brought enormous benefits to Turkey's economy since its opening in 1973.*

EXHIBITION IN WEST AFRICA—*Fishery ministers from Senegal, Mauritania and Guinea discussed their countries' fishing industries with John Barroso (right), Marine Construction & Design Co. representative, at African Fisheries Exhibition in Dakar.*

Guinea Aggressively Seeking To Develop Natural Resources With Help Of Foreign Firms

The growth of the mining sector in Guinea over the past several years has had positive impact upon the balance of payments and government revenues, reports the U.S. Embassy in Conakry, capital of the west African nation. Returns on the minerals export tax imposed in January 1975 continue to give the government increased leeway in development planning. Further, development of the minerals sector allows the government to plan long-term projects knowing it will have increasing foreign exchange revenues. The agricultural sector, however, continues to stagnate.

The economic outlook through the end of 1978 is guardedly optimistic. Production from the three mining operations is expected to increase by about 10 percent above current output as they reach full capacity. Mineral production should generate sufficient foreign exchange availability to achieve limited Guinean objectives. Heavy concentration on bauxite production brings some of the dangers of the one-product economy, but the government is seeking to diversify somewhat, pressing on toward exploitation of diamonds, potential uranium deposits and iron ore. Bilateral and multilateral donors have committed $147.7 million for development purposes during 1976-78, roads have been constructed and some agricultural projects undertaken, but there is no early prospect for broad improvement in the agricultural sector. The collectivized approach to farming has not resulted in increased agricultural production.

The outlook for foreign private investors is perhaps better than the above situation would indicate. "Enclave" projects can be successfully operated to meet hard currency operating expenses of the enterprise. Agro-industrial investments offer favorable possibilities, providing an adequate supply of raw materials can be assured and arrangements are made to insure necessary foreign exchange availability. In 1978, new arrangements with foreign private investors may be concluded in the mining sector. These could in some cases be major projects involving many millions of dollars (iron ore or bauxite) or smaller projects involving only a few million (diamonds). While no potential investor should underestimate the risks in Guinea, the rewards can be excellent if the project receives the full support of the government.

The Government, through IMPORTEX, a state-owned enterprise, has a monopoly on official imports and control of all foreign exchange. While convertibility of the currency would end currency speculation, it would at the same time deprive the government of its ability to control imports. Therefore, the government, for economic as well as political reasons, has not sought convertibility of the currency, even though this had been seen as a possibility in the Five-Year Plan of 1973-78. At the same time, the government continues to resist any suggestion of a devaluation. The difference between the legal value of the syli and its black market value still acts as a spur to illicit trading.

Guinea's ability to increase trade with Western countries is dependent on the growth of foreign reserves, aid, and credit availability. The growth in foreign assets over the past year has improved Guinea's credit record. Arrearages to U.S. Government agencies have been almost eliminated. In recognition of the improving situation, major U.S. banks have begun to consider Guinea for commercial loans. Several opportunities for U.S. banks should develop in the next year. There are excellent possibilities for lending to Guinea fairly substantial sums for resource development. Normal commercial transactions continue to be based on confirmed letters of credit.

As a result of financing requirements and traditional sources of supply, a large portion of planned imports come from European and Japanese firms. Despite the absence of export credit financing and the requirement of doing business in French, U.S.-Guinean trade is increasing rapidly and now totals over $70 million annually. The two major importers of U.S. goods are the Government of Guinea and the Guinea Bauxite Company (CBG). Most of CBG's purchasing is done through HALCO, the foreign consortium which has headquarters in Pittsburgh. Over the past 12 months U.S. commercial trade with the government has included feasibility studies, mining equipment, motorcycles and agricultural commodities. In addition, an American firm enjoys a predominant position in the marketing of lubricants and petroleum products to the government as well as to the two Western mining operations. A U.S. engineering firm has also been selected as consultant for the IBRD roads project.

Recent imports have been for textile equipment, communications equipment, machinery, fishing equipment, aircraft and avionics and construction equipment.

Imports are expected to increase through 1978. Spending on foreign assistance and foreign investment projects presents the best trade opportunities to U.S. suppliers. Key markets include road construction equipment, mining equipment, construction materials, agricultural equipment, and engineering contracts. As no private retail trade is permitted, independent agents and distributors are almost impossible to obtain. All sales contracts are negotiated directly with concerned government agencies under the supervision of the state import/export monopoly IMPORTEX.

Within the framework of its independent socialist approach, Guinea has sought the cooperation of foreign governmental and private investors. The government enacted a private investment law in 1972. Foreign investment is to take the form of joint ventures (approximately 50-50) with the Guinean Government, the foreign partner providing financial input. Remittance of profits, repatriation of capital, employment of expatriates, and import of project inputs are all negotiable for a specific investment.

Recently the government's attitude seems to have become more open toward foreign private-sector investors. Now that the government is aggressively seeking to develop minerals and agro-industrial possibilities further, the capabilities of Western private-sector firms are keenly sought.

Private investors representing American, Japanese, and Western European enterprises, as well as the Eastern European governments, are engaged in large and medium-scale joint investment projects with the Guinean Government. Total foreign investment in Guinea is now estimated at $560 million, led by the United States, Canada, the Soviet Union and France.

An investment guarantee agreement between Guinea and the United States has

been in effect since May 9, 1962. U.S. investment in Guinea is $164 million at cost. Coverage by the Overseas Private Investment Corporation amounts to $155.1 million. U.S. corporations with joint venture operations in Guinea include Texaco (petroleum marketing), Alcoa and Martin-Marietta (bauxite production) and Buttes Resources International (oil exploration). Louis Berger International has contracts for management and roads maintenance and construction projects. Kaiser Engineering has contracts for feasibility studies of the Mifergui-Nimba iron ore project and Del Monte has worked with a government pineapple processing project. U.S. firms have also shown interest in diamond deposit exploitation.

In a recent speech that was given wide publicity in Guinea, President Toure stated that Guinea welcomed foreign investment in the means of production. Noting the necessity of providing investors with assurance against arbitrary government action he stated: "It is essential to guarantee the security of investment; protection of persons, goods and professions; to wound neither individuals nor the revolution in its good faith." The new attitude toward Western private investment combined with attractive economic possibilities will undoubtedly increase Western interest in the Guinean economy.

Andean Commissions Extend Deadlines For Integration; Peru Approves Reserve Fund

The 24th Ordinary Session of the Andean Commissions, which met on April 17, adopted the so-called "Arequipa Protocol" which extends for one year all deadlines associated with implementation of sectoral programs for industrial development (SPID), the common external tariff and trade liberalization under the Andean regional integration scheme (ANCOM).

All of the measures are interrelated since a product's eligibility for application of the common external tariff or trade liberalization is determined by whether or not the product is included in a sectoral program. The deadline for approval of sectoral programs has been extended one year to Dec. 31, 1979. Schedules specified under existing sectoral programs are not affected.

The target date for adoption of the common external tariff has also been delayed one year to Dec. 31, 1979. The date by which the members are to begin the move to the common external tariff is postponed one additional year until Dec. 31, 1980, to complete the process.

The schedules for the liberalization of products reserved for Bolivia and Ecuador are revised slightly, and the date for establishing the point of departure and commencing the liberalization process is delayed one year. In the case of products not being produced but reserved for Bolivia and Ecuador this is now Dec. 31, 1978. The rest of these products are to be approved by Oct. 31, 1978. In the case of products originally reserved for sectoral programs, but then not included, tariffs are to be eliminated in four annual reductions of 10, 20, 30, and 40 percent beginning Dec. 31, 1980. The basic liberalization schedule for products not included in sectoral programs or reserved for Bolivia and Ecuador is not affected and is to be carried out by Colombia, Peru and Venezuela as specified by Article 52 of the ANCOM Treaty. Liberalization by Bolivia and Ecuador is to be carried out during the period of Dec. 31, 1980 to Dec. 31, 1989, one year later than previously required.

Finally, the protocol permits the Commission, acting before Dec. 31, 1979, to extend for one additional year the period that products may be reserved from liberation. The Commission may also provide one additional year for Bolivia and Ecuador to comply with the provisions concerning the common external tariff. Adoption of such proposals requires two-thirds approval with no dissenting vote.

On a further development in Andean integration, Peru's council of Ministers approved on April 18 the establishment of an Andean reserve fund. The fund is to have $240 million of subscribed capital of which Colombia, Peru and Venezuela are to provide $60 million each and Bolivia and Ecuador $30 million each. The agreement will enter into force upon ratification by Peru, since other members of the Andean Group have approved the agreement.

More Information Available On PRC Trademark Action

Additional information has been received regarding the People's Republic of China's new policy to permit trademark registrations by U.S. nationals (*Commerce America*, April 10, page 11).

Under the PRC's "Regulations Governing Trademarks," promulgated April 25, 1963, U.S. nationals may now apply for and receive registrations, as of Jan. 1, 1978. The regulations' requirement that there be reciprocity between the PRC and the country of nationality of the applicant is considered by the PRC to be met by the United States since PRC State Trading Corporations are already permitted to apply for and register trademarks in this country.

The U.S. firm's trademark application must be filed with the PRC's China Council for the Promotion of International Trade (CCPIT). The CCPIT acts as the U.S. firm's agent with the Central Administrative Bureau for Industry and Commerce (CABIC), which is responsible for administering the trademark regulations.

The validity of the trademark registration begins from the date of approval by CABIC and is effective for ten years. An application for renewal can be filed soon before expiration, for another ten-year period, and this can be followed by reapplication for a further ten years.

In some cases, subsidiaries of U.S. firms in countries with bilateral trademark agreements with China may have already applied for trademark registrations in the PRC. American firms which have already registered trademarks through a foreign subsidiary located in a country which has a bilateral agreement with China may, if they wish, use the assignment procedure in the Chinese regulations to assign the trademark from the subsidiary back to the parent firm headquartered in the United States.

Under the PRC regulations, the "owner" (i.e., holder) of the registration enjoys an exclusive right to its use. If the trademark is registered in the name of a subsidiary, only that subsidiary "owns" the right to use it, unless, under the above-mentioned assignment procedure, the subsidiary assigns the trademark to the parent corporation.

Applicants must provide CCPIT the following documentation:

1) A separate application, in duplicate, for each trademark the firm wishes to register;

2) A power of attorney, in duplicate, for each trademark. (This document empowers the CCPIT to act on behalf of the foreign firm to register the trademark with the CABIC.);

3) A certificate of nationality (no prescribed form) which should show that the corporation is organized under U.S. law; and

4) Twelve prints of the trademark for each application. The meaning and derivation of the trademark word must be clearly explained. The regulations state that the original copy of the power of attorney and the certificate of nationality must be "legalized" (i.e., notarized) by a Chinese Embassy. According to CCPIT officials, the PRC Liaison Office in Washington is empowered to do this.

Formerly, the foreign firm was required to furnish evidence that the trademark was registered in its own country. Under the new PRC policy of reciprocity, this is no longer required for countries (including the U.S.) which do not require Chinese corporations to provide such certification. Also according to the CCPIT, U.S. trademarks applied for and registered in the PRC may include English words. Foreign trademarks registered there are not limited to Chinese and may use any language.

U. S. firms desiring to correspond with the PRC on trademark matters should write to: Trademark Registration Agency, China Council for the Promotion of International Trade, Peking, People's Republic of China.

INTERNATIONAL BUSINESS REPORTS

Doing Business Abroad: Joyner's Guide to Official Washington. 4th edition, 1978. 400pp. $95.

Identifies U.S. Government experts, services and documents for each facet of international business including exporting, importing, licensing, investment, finance and foreign travel. Designed for those who want to pinpoint official Washington contacts and save time in gaining access to the multi-million dollar U.S. government information base, this guide lists, by subject, over 2,000 specialists and 800 free or low-cost services. Contains complete and current bibliography of periodicals, market surveys, and publications pertaining to international business.

Write: Joyner & Associates, Inc., 11250 Roger Bacon Dr., Reston, Va. 22090.

In Search of Robin Hood: The Effect of Federal Budgetary Policies During the 1970s on the Distribution of Income in Canada. By W. Irwin Gillespie. 66pp. $4.

This study is a search for the results of redistributive budgetary activities in Canada. Budget instruments during the 1970s are examined in order to determine whether there has been an improvement in the economic position of the poor relative to the highest-income families.

Write: C. D. Howe Research Institute, 2064 Sun Life Building, Montreal, Quebec H3B 2X7.

The Japanese Pesticide Market; Prospects for Foreign Manufacturers. 1978. 250 pp. $480.

This publication makes available to U.S. and international pesticide executives an in-depth and comprehensive analysis of the large and growing Japanese pesticide industry. This unique report, which was prepared by the International Technical Information Institute, Tokyo, covers market data, distribution systems and practices, special characteristics of Japanese agriculture, as well as procedures to obtain government product approval. Each area is researched by experts and specialists on the Japanese pesticide market, making this study an indispensable guide for executives in the United States selling or planning to sell in this growing and lucrative market.

Write: Specialists in Business Information, Inc., 3375 Park Ave., Wantagh, New York 11793.

West Germany Buyers' and Sellers' Guide. Published in Darmstadt. About 3,000pp. DM 95.

Main section, printed in German, surveys overall German production under 8,000 headings with more than 600,000 sources for buying and selling. An alphabetical index, also in German, lists 80,000 products and trademarks referring to the main section. Indices in English, French and Spanish refer to headings in the main section allowing cross-reference. Finally, importers and exporters are classified according to product groups. Export agents are listed at the end of this part.

Write: Europ Export Edition GmbH, Postfach 40 34, Berliner Allee 8, D-6100 Darmstadt, West Germany.

Treaties in Force: A List of Treaties and Other International Agreements of the United States in Force on Jan. 1, 1978. U.S. Department of State Publication 8934. 397pp. $5.

This is a collection reflecting the bilateral treaty relations of the United States with 188 countries or other political entities, as well as multilateral treaty relations with other contracting parties to more than 380 treaties and agreements on 97 subjects. The 1978 edition lists some 500 new treaties and agreements including the treaty on prisoner transfer with Mexico; the agreement concerning transit pipelines with Canada; the fisheries agreements with Bulgaria, Canada, Republic of China, Cuba, European Economic Community, German Democratic Republic, Japan, Korea, Mexico, Poland, Spain, and the USSR.

The bilateral treaties and agreements are arranged by country or other political entity, while the multilateral treaties and agreements are arranged by subject with names of countries which have become parties. Date of signature, date of entry into force for the United States, and citations to texts are furnished for each agreement.

Provides information concerning treaty relations with numerous newly independent States, indicating wherever possible the provisions of their constitutions and independence arrangements regarding assumption of treaty obligations.

Information on current treaty actions, supplementing the information contained in *Treaties in Force*, is published monthly in the Department of State *Bulletin*.

Write: Superintendent of Documents, U.S. Government Printing Office, Wash. D.C. 20402.

Tax Free Trade Zones of the World. By Walter H. and Dorothy B. Diamond. Published by Matthew Bender and Co. $50, includes quarterly supplement service.

Comprehensive guide to the 260 free trade zones, free ports and transit zones located in 62 countries around the globe. Each zone is discussed in terms of factory space, wage rates, fringe benefits, income tax holidays, cash grants, one-stop document clearance and other important factors. Among the 260 zones are 32 established in the United States. Within the past two years the United States has approved 16 foreign trade zones at various locations around the country, and several more applications are now pending approval by the United States Foreign Trade Zones Board.

Write: Matthew Bender, 235 East 45th St., New York, N.Y. 10017.

Marketing in Japan. OBR 78-16. Prepared by T. A. Miyakawa, Industry and Trade Administration, U.S. Department of Commerce. 31pp. 80 cents.

According to this publication, "Prospects for exporting to Japan remain favorable despite the current economic slowdown. While relatively slow in recovering, Japanese demand and markets remain largely intact, with American products price and quality-competitive in most lines. High wages, pollution control costs, competition from neighboring lower wage countries, inflation, and the rising value of the yen will continue the pressure toward a knowledge-intensive and more service-oriented economy. Consequently, there is a rising need in Japan for the more sophisticated kinds of equipment in which U.S. manufacturers excel. Additionally, there is continuing demand for well-made, attractively-designed, new American consumer goods." The author discusses some of the products and equipment in special demand, and offers guidance on the proper approach to penetrating the market.

Write: Any Commerce District Office, or Superintendent of Documents, U.S. Government Printing Office, Wash., D.C. 20402.

Calendar For World Traders

June 1-2—Houston—Seminar on Foreign Market Entry Strategies, presented by The Wharton School of the University of Pennsylvania. Information: 212-253-7262.

June 5-9—New York—American Management Associations offers seminars on Introduction to Technology Transfer Worldwide and Advanced Technology Transfer, Hilton. Call 212-246-0800.

June 6—New York—FCIB International Roundtable Conference, Summit Hotel.

June 7—Chicago—FCIB Forest Products Export Credit Group meeting, O'Hare Hilton.

June 7-10—Vail, Colo.—Food, Trade and Energy: Agricultural Interdependence, a national symposium for persons involved in the international, national or regional aspects of agriculture as they relate to trade and energy. Information: University of Denver, 303-753-3458.

June 8—New Rochelle, N.Y.—Overseas Automotive Club member/guest annual outing, Wykagyl Country Club.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about licensing and joint venture proposals, opportunities to sell to foreign enterprises, major construction and expansion projects, and visiting buyers.

Licensing, Investment Abroad

SAUDI ARABIA—Well established firm desires contact with U.S. companies specializing in: **maintenance of public buildings, hospitals, electro-mechanical equipment, military installations, roads, water networks and pipelines.** Representative of company will be in U.S. beginning May 4 for discussions. Additional informaton: Mary C. Inoussa, Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. WTDR. P-78374. OPIC.

1542—SAUDI ARABIA—Firm seeks contact with **large U.S. construction company with no legal ties with other Saudi companies.** Company wants to present joint bid for construction of buildings and other facilities for Saudi National Guard. Project is estimated to cost between $560 and $840 million and is reportedly being supervised by U.S. Corps of Engineers. Contact ASAP: Walker Boyle, Gen. Mgr., Al-Amthal Co., P.O. Box 6336, Jidda. Telephone, 57371 or 56229; telex, 401490 AMTHAL SJ. P-78375. WTDR. OPIC.

2032—THAILAND—Newly organized corporation of well-placed businessmen and officials of State Railway of Thailand is interested in establishing factory to produce **health foods and dietetic products.** Group is interested in licensing and technical arrangement. Cherd Boonyaratavej, Mng. Dir., C.B. & Sons Ltd., 78-81 Rama 5 Road, Bangkok. P-78376. OPIC.

2211, 2221, 2231—HUNGARY—Manufacturer of **clothing and furnishing fabrics** seeks long-term cooperation with partner having latest technology to assist in production and marketing. Part of production would be bought by partner. Fabrics are polyester, viscose, cotton and combinations thereof. Width of finished cloth is 150 cm. produced in 4 weight categories, 140—320 gr./m². E. Seybold, Intercooperation Co., Ltd. For trade Promotion, P.O. Box 53, H-1253 Budapest I. Telephone, 152 220; telex, 22 42 42; telegram/cable, INTERCOOP.

2253, 2330, 2340—HUNGARY—Seeks cooperating partner for **manufacture of women's garments.** Partner should supply technology, special machines and accessories, and basic materials. Goods produced in Hungary would be sold in partner's market. E. Seybold, Intercooperation Co., Ltd. For Trade Promotion, P.O. Box 53, H-1253 Budapest I. Telephone, 152 220; telex, 22 42 42; telegram/cables, INTERCOOP.

2253—HUNGARY—Knit wear manufacturer seeks partner having latest technology to reorganize production and increase productivity. Part of production would be bought by partner. Factory is producing pullovers, cardigans, leisure and sport wear on flat and circular knitting machines for men, women and children. E. Seybold, Intercooperation Co. Ltd., address as in preceding item.

2281—GERMANY—Spinning mill producing **worsted yarns and specializing in fiber compositions such as wool, acrylic and cotton** seeks similar U.S. company for exchange of know-how and possible cooperation for distributing one another's products. Established 1833, firm employs 70 plus three salesmen and seven agents. Its products are sold throughout Europe. Herbert Wohlfarth, Owner-Manager, Villinger Kammgarnspinnerei Wohlfarth KG, Unterer Dammweg 16, P.O. Box 2129, D-7730 VS - Villingen / Schwarzwald. Telephone, 7721/21031; telex, 792535. WTDR. P-78377.

2452, 3272, 3448—GERMANY—Seeks licenses to produce **prefabricated, single family, residential buildings.** Established 1973, firm has 20 employees; annual sales, $2 million. Herr Kittel, Nobless Fertigbau GmbH, Musterhaus, Allerbecker Weg 85. Telephone, 05248/7691; telex, 096685. P-78398.

2649—KOREA—Seeks license to produce **gravure wall paper.** Korean firm believes that domestic market for quality wallpaper is excellent and is expected to improve because of heavy housing construction activity. Currently, company provides letter press, offset press, gravure printing activities. Is equipped with modern machinery, mostly of U.S. origin. Employs 750, reports annual sales of over $9 million. Kern-Soo Ryu, Samhwa Printing Co., Ltd., C.P.O. Box 1307, Seoul 110. Cable, TROIHWA Seoul; telex, TROIHWA K27558. P-78378. OPIC.

2899—JAPAN—Seeks U.S. technology for manufacture of **water repellent agents used in production of building materials in Japan.** Will consider cross licensing arrangement, supplying licenses for emulsion type, paraffin water repellent used mainly in manufacture of gypsum board. The firm, Mitsubishi Chemical Industries Ltd., has 9,250 employees; annual sales, $2.7 billion. Naomasa Sugiyama, Asst. Mgr., Construction Materials Dept., New Enterprise Div., is scheduled to visit potential U.S. licensors for negotiations in mid-June. To meet Mr. Sugiyama, write: Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. Primary manufacturers only. P-78403.

2899—OMAN — Trading company seeks joint venture to **establish sea water salt manufacturing plant.** Jimy Freddy Nagarvala, Manager, General Trading & Contracing Company, P.O. Box 213, Muscat. Telex, 3458 GTCC MB; telephone, 773222/3. P-78407. OPIC.

3079, 3272, 3442, 3641—SAUDI ARABIA —Leading Saudi industrialist seeks joint venture partners to establish and operate **complete factories to produce: aluminum street light poles; galvanized window and door profiles; fluorescent lamps; plastic pipe; mobile homes.** Zein Siblini, Alrajehi & Siblini Plastic Works, P.O. Box 242, Riyadh. Telex, 20312 ABDALLAH; cable, ALABDULAZI; telephone, 23028, 28684, 28113. P-78399. OPIC.

3261, 3432 — URUGUAY — Established manufacturer of **decorative faucets for bathrooms and kitchens** is seeking joint venture with U.S. manufacturer of similar product line, or with importer/representative interested in buying complete faucet sets or parts thereof. Firm has good technology and equipment and seeks to enlarge its production and develop new markets. Maria Cristina Acerenza, Acerenza S.A., Coruna 3021/25. P-78380.

3423—GERMANY—Seeks licenses to produce special tools for **electronic assembly and electronic installation work.** Firm has well established market in electronics industry with sales area covering Europe and Middle East. Established 1827, employs 60. K. Quirl, Cimco-Werkzeugfabrik, Hohenhagener Str. 1-5, 5630 Remscheid. Telephone, 02191/31071; telex, 8513774; cable, CIMCO. P-78381.

3423—NEW ZEALAND—Firm seeks licensing and/or joint venture arrangement to manufacture **garden hand tools** such as shovels, rakes, spades. Is established manufacturing engineering company with full metal working capabilities. Rex Watson, Mktng Mgr., Robert Stone & Co., Ltd., P.O. Box 18060, Auckland. P-78382.

3451, 3452 — SWITZERLAND — Established manufacturer and distributor of metal products and fasteners seeks to manufacture under license and distribute in Switzerland and other West European countries **fasteners, bolts, nuts, screw products** for industry building trade, etc. Company maintains well-equipped facilities, employs 700; has European-wide sales network. A. Provini, Mng. Dir., Vereinigte Drahtwerke AG, United Wire Works Corp., Neumarkstr. 33, 2503 Biel; cable, DRAHTWERKE BIEL; telex, 34230. P-78400.

3452, 3079—FRANCE—Seeks licenses to manufacture **builders hardware; industrial plastic products process equipment (tanks, ducts, and hoods) and tools; plumbing fixtures and parts.** Established 1961, firm employs 70; annual sales, $30 million. Currently produces construction plastic products used in finishing building interiors. Expandet S.A., 26 Rue Danielle Casanova,

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. WTDR request forms may be obtained from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

75002 Paris. Telephone: 261-29-65. WTDR. P-78379.

3530 — GERMANY — Large firm seeks licenses to manufacture **materials handling and transport machinery, both mobile and stationary.** Company currently produces transport machinery and components (hydraulically operated) for construction, mining, trucking, farming industries. Markets in 30 countries. Operates six plants, claims annual sales of $150 million. Interested companies should write firm's agent, Jens C. Dolling, Engineering & Marketing, Tacitus-Str. 8, 4040 Neuss. P-78383.

3535 — GERMANY — Seeks to exchange licenses, technology with U.S. manufacturers of **continuous conveyors of all types** (light, heavy duty, overhead chain, in floor and accumulation); and **light and heavy duty materials handling and storage systems.** Company maintains efficient sales and engineering network in Europe. Exports to EEC and EFTA countries, and Near East. Employs around 980. Karl Burkart, Prokurist, Leiter der Sonderfoerderungsanlagen, Demag Foerdertechnik-Verteiltechnik (Werk Stoehr), Heinrich-Krumm-Str. 17, D-6050 Offenbach/Main. Telephone, 0611-893071; telex, 41 52 811. P-78384.

3537 — GERMANY — Seeks joint venture distribution arrangement to market **industrial trucks and other utility vehicles** in Austria and Germany. Products of interest include **heavy and light duty fork lifts, industrial floor sweepers and cleaners, haulage tractors and stackers** and related equipment. Firm imports, exports, distributes all types of industrial trucks and vehicles. Maintains its own fully equipped servicing and shop network. As a result of recent reorganization, firm plans to expand its activities and market more technologically advanced products. Is interested only in corresponding directly with U.S. manufacturers, not consultants or export management firms. Karl-Heinz Will, Mktg. Mgr., Industriemaschinen Handelsgesellschaft, P.O. Box 940256, D-6000 Frankfurt/Main-Roedelheim. Telephone, 0611-785081; telex, 04 14 460. P-78396.

3549 — AUSTRALIA — Seeks license to produce **plate edge (beveling) preparation machines for butt welding.** Firm operates fully equipped plant; is ready to commence operations on short notice. Equipment includes lathes, machining center, variety of other machining equipment. M. R. Reeve, Gen. Mgr., B. R. Reeve Engineering, 62 Whiteman St., South Melbourne, Victoria 3205. WTDR. P-78397.

3549 — SWITZERLAND — Firm seeks to complete its existing line of balancing systems by adding similar items of U.S. origin which could be produced under license. Items of particular interest include **industrial type balancing systems for applications such as balancing of rotors (ventilating, etc.), wheels (e.g. grinding wheels).** Company was established in 1964 as producer of simple industrial balancing equipment. Paul Ruefli, Meyer AG, Industriestr. 12, 4528 Zuchwil. Switzerland. P-78385.

3621 — SPAIN — Small manufacturer of D.C. motors from 0.25 to 150 HP. seeks license. Is interested in producing **permanent magnet D.C. motors having stall torque of up to 1,000 lb./in.** with application to toys and electrical controls using microprocessors in numerically operated machine tools and other equipment. Firm maintains engineering department to develop new electronically based products. Is member of group of around 100 cooperatives. Ekain S. Coop, Poligona 36 Usurbil (Guipuzcoa). P-78386.

3631—TAIWAN—Seeks license to manufacture **household, microwave ovens.** Later would be interested in expanding into production of commercial, institutional type ovens. Firm's background includes production of image intensified vacuum tubes. General manager of company plans to visit U.S. next month, is interested in meeting with potential American licensors. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78401.

3652—GERMANY—Contact desired with American promoters and producers of popular music. Rights for production and distribution in Germany sought. Firm is small, reputable, has good relations with 300 German music agencies. Herr von Dirk, Christina-Records, Theordor-Quael-Str. 10, D-7238 Oberndorf 1. Telephone, 07423/4045; telex, 07-60310. P-78387.

3811, 3829 — FRANCE — Manufacturer of meteorological instruments and process control instrumentation seeks to obtain licensing rights for production of **gas detectors and gas analyzers.** Established 1949, employs 300; has good commercial reputation. R. Sprimont, Commercial Mgr., Oldham France S.A., Z.I. No. 4, 62002 Arras Cedex. P-78390.

3823 — GERMANY — Seeks to obtain license for production of **controls for numerically controlled machine tools and process measuring and controlling instruments.** Firm is small producer of electrotechnical and electronic components. Established 1971. Juergen Reuss, Mgr., Juergen Reuss Elektrotechnische Werkstaette, Gartenstr. 24, D-7243 Voehringen. Telephone, 07454/2795; telex, 07-65352. WTDR. P-78388.

3825, 3811, 3873—GERMANY—Seeks licensing arrangement for manufacture of **timers, switch clocks, relays and related items.** Firm will also consider joint venture agreement in later phase. Company operates engineering office; distributes timers and switch clocks. Has subcontractors manufacturing products under its license. Marketing territory includes Germany and Austria. P. Lanfer, Mgr., Paul Lanfer GmbH, Karlstr. 90, D-7220 Villingen-Schwenningen. Telephone, 07720/62487; telex, 07-94546. WTDR. P-78389.

3841, 3811 — AUSTRALIA — Leading manufacturer of **medical and scientific equipment** is seeking licensing or joint venture for production of similar equipment. Company's expertise covers light mechanical engineering and design; instrument and electronic engineering and design as applied to medical and all scientific instruments. Firm can market any product in its field throughout Australia. B. T. Fanning, Mfg. Mgr., Watson Victor Ltd., P.O. Box 100 North Ryde, N.S.W. 2113. Telephone, 888-6188; telex, 21602. WTDR. P-78391.

3841 — GERMANY — Small manufacturer of surgical instruments is interested in entering into joint venture arrangement with small U.S. firm for production of **surgical instruments, especially hemostatic forceps.** German concern operates subsidiary in Korea. Dipl. Ing. H. Lueddecke, Owner, Mgr., Idea-Instrumentefabrik Berchtold & Co., Weimarstr. 13-15, D-7200 Tuttlingen. Telephone, 07461/2345. WTDR. P-78392.

3911 — GERMANY — Manufacturer of jewelry findings and leather-goods hardware is interested in obtaining licensing arrangement for manufacture of **jewelry findings of precious metals.** Established 1885; employs 250. Sales territory includes West Germany and Common Market countries. Ulrich Reischauer, Gen. Mgr., Gold- und Silber-Scheideanstalt Oberstein, Franz Reischauer, Wilhelmstr. 24-30, 6580 Idar-Oberstein 1. Telephone, 06781-25061; telex, 426229. P-78393.

4222—EGYPT—Well known trading company seeks joint venture to establish **cold storage and freezer warehouse (about 1,000 sq. m.) in Port Said Free Zone area.** Firm has well located site for warehouse, directly on Suez Canal, which would form major portion of its contribution to equity. Estimated cost of warehouse is $1 million. U.S. company interested in utilizing cold storage facilities to market food products in Middle East would be ideal partner. Mostafa Fahmy Mirdan, P. O. Box 172, Port Said, Egypt. Telephone, 4806; telex, 54260 FHDN UN. WTDR. P-78402. OPIC.

7534—GREECE—Company, presently acting as agent, distributor of marine equipment, seeks joint venture and/or licensing arrangement to establish plant to **recap airplane tires.** Company is affiliate of Dalex Shipping Group which is managing company of seven shipping firms. N. J. Romanides, Administrator, Supco Ltd., 1 Char. Trikoupi St., Piraeus. P-78394. OPIC.

8911 — GERMANY — Free-lance architect seeks cooperation with **American architectural or engineering group.** He claims to have good business relationships with businessmen in Arab countries. Focus will be on industrial and private construction. Edmund Hermann, Eichenstr. 13, D-7401 Pliezhausen. Telephone: 07127/70605. P-78395.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under an investment, licensing, or cooperation agreement, write to the Domestic Investment Services Staff, Bureau of Export Development, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-5361), referring to the appropriate file number.

Investment

GERMANY—Ball valves. Company is interested in acquiring interest in or establishing production facility in U.S. Firm specializes in manufacture and distribution of valves and industrial fittings. S. Ziob, Mecafrance GmbH, Koernerstr. 22, 5300 Bonn-Bad Godesberg. File 3909.

Licensing

AUSTRIA—Firm is interested in selling licenses for manufacture of apricot brandy; apricot liqueur; plum, cherry, gentian, and Williams pear brandy; "stomach" liqueur and a liqueur of mountain sour cherries.

Beverages are either sold in glass bottles or as gift articles in rustic "Austrian look" ceramic jars. Cooperative agreement for manufacture of wine and fruit distillates in U.S. is also sought. Gerhard Konradt, authorized manager, Leopold Hofkirchner KG, Grossbrennerei und Likoerfabrik Martinstr. 22-26, A-3400 Klosterneuburg. File 3910.

CANADA—Fusion bonded carpet making process (and pending patent for built in under-cushion process). U.S. Patents 3,376,178 and 3,342,163. "Sur-Lok" process reportedly offers cost and energy savings in manufacture, and can produce carpet tile types that cannot be produced on a conventional tufter. Patent holder has no objection to dealing with established carpet makers, but he suggests that firms in allied industries, such as yarn spinners or backing manufacturers, or firms in other industries seeking diversification, might be more interested, as they would not have present investment in tufting processes to consider. William D. McAlpine, Box 102, Tillsonburg, Ontario. File 3911.

FRANCE—Boomerangs. Firm is seeking U.S. company experienced in plastic technology and well introduced in U.S. market for sporting goods. Manufacturer claims that his product of heavy duty ABS plastic is result of long aero-dynamic development. Jacques Thomas, Etablissement Jacques Thomas, 24 rue Tronchet, 69006 Lyon. File 3912.

GERMANY—Skin care products developed especially for treatment of acne. Nicos Fostieris, Mgr., ATAME, Wilhelmstr. 10, D-6450 Hanau/Main 1. File 3913.

GERMANY—Karl Burkart, Prokurist, Leiter der Sonderfoerderungsanlagan, DEMAG Foerdertechnik-Verteiltechnik (Werk Stoehr), Heinrich-Krumm-Str. 17, D-6050 Offenbach/Main, wishes to exchange license, technology, and know-how with suitable U.S. manufacturers of: **Continuous conveyors** of all types (light duty, heavy duty, overhead chain, in-floor, and accumulation type), file 3914; and **light- and heavy-duty materials handling and storage systems** of all types. File 3915.

GERMANY — Firm is interested in licensing U.S. company for manufacture and distribution of hydraulic and pneumatic cylinders. Mr. Haenchen, Mgr., Herbert Haenchen KG, Brunnenwiesenstr. 3, D-7302 Ostfildern 1. File 3916.

Cooperation agreement

GERMANY — Energy saving shut-off valves. Valves are suitable among other things for gasses and "aggressive media" (temperatures to 400° C., pressures to 1,500 PSI). Firm claims that energy consumption for average pump to which these valves are attached is reduced by approximately 75% compared to standard types of valves. Firm is interested only in U.S. manufacturers who are particularly equipped to cooperate in exchange of energy-saving technology. Wolfgang Sander, Exec., Waermetraeger Armaturen GmbH, Postfach 102, D-6720 Speyer. File 3917.

GERMANY — Gauging units, such as length measuring apparatus and instruments for checking shape errors; surface measuring and checking instruments; profile measuring units; gear measuring equipment; and components for multiposition gauging units; semi-automatic form and position gauging units. Firm is interested in finding U.S. company for cooperation partnership that can operate on nation-wide basis, have good service capability, and be in position to render after-sale service. Willi Deppert, Foreign Trade Mgr., Hans-Botho von Portatius, Diplom-Volkswirt, Business Mgr., HOMMELWERKE GmbH, P.O. Box 1229—Eichendorffstr. 33, D-7220 VS-Schwenningen. File 3918.

Direct Sales

The following trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Program, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest indicated by codes 0111-1799 and 4011-8999 are based on the Standard Industrial Classification Manual, 1972; codes 20 through 39 come from Numerical List of Manufactured Products (New 1972 SIC Basis), MC72-1, 2. Codes beginning with 99 are from the TOP coding system.

U.S. firms should be aware that the listing in Commerce America *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Department's Export Administration Regulations. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

General commercial printing

2754481—EGYPT—Playing cards. Quantities to be specified by buyer upon receipt of price quotations c.i.f. Port Said Free Zone. Cable SIFCAR PORT SAID; tel. 3185 & 4464 PORT SAID; telex 54165 PSD YBM. Youssef Bourham Makkar Co., P.O. Box 151, Port Said.

Glass, glassware

3221017—EGYPT — Toiletrie & cosmetic bottles of different shapes & sizes. Quantities will be specified by buyer upon receipt of price quotations c.i.f. Alexandria. Catalogs also required. Cable—Napoleon I. Ibrahim, Mgr., M. I. Ibrahim Co., 8 Falaki St., Alexandria. Cable BARSIM; tel. 807179.

Abrasive, asbestos, nonmetallic mineral products

3295000—EGYPT—Supply of 1,000 tons ball clay in lumps, tender no. 6, deadline June 24, & 200 tons English ball clay in powdered form, tender no. 5, deadline June 22. Tender docs. available for L.E. 5 (US$7.14) per copy from El Nasr Co. for Production Refractories (SORNAGA), Foreign Purchasing Committee, 22 Kasr Al Nil St., Cairo.

Steel mill products

3312300-400 — PHILIPPINES — Supply & delivery to site of some 702 pcs. of U-type or Z-type steel sheet piles of 30 ft. long for Tago River Irrigation Project. Govt. has received loan from ordinary capital resources of Asian Dev. Bank in various currencies towards cost of project. Mfrs./fabricators or their authorized reps. who are interested in further details on this contract can secure copies contract docs. upon non-refundable payment US$10 per copy at address below. Bidders required to submit, together with their proposals, qualification data which will indicate mfr's experience in fabrication steel sheet & corner piles. Bid deadline July 5. Obtain docs. from—Reynaldo P. Enriquez, Secretary, Committee on Prequalifications, Bids & Awards (Internatl.), Natl. Irrigation Admin., E. Delos Santos Ave., Diliman, Quezon City, Philippines D-758. Cable NIAPHIL; telex 7420 PH; tel. 97-60-71 TO 73.

3317600—BURMA—Supply 100,000 ft., 5½ in. x 17 lb/ft., grade—J-55 seamless steel casing end threaded & coupled with inside & outside steel protectors to A.P.I. standard 5A & 5B latest edition with A.P.I. monogram, externally coated with Mill's Standard Oil. Financed from Myanma Oil Corp's. capital budget. U.S. Embassy, Rangoon, will forward copies bid invitation & specs. to interested U.S. firms on request, citing "T-0053". Refer to 12(T)CONST-MOC/EXP(78-79). Submit bids to—Procurement Mgr., Myanma Oil Corp., 604 Merchant St., Rangoon. Bid deadline June 30.

Rolling, drawing nonferrous metals

3357400—IRAN—Telephone cable, 88 mh loading system, ccitt, 1,170 pieces. Obtain bid docs. from—Gen. Secretariat, Purchasing Dept., Rm. 602, TCI Bldg., Telecommunication Co. Iran (TCI), Ave. Kourosh Kabir, Bisim Pahlavi, Tehran. Refer to bid no. 37/7. Bid deadline July 11.

Primary metal industries

3399155 — IRAN — Tender for purchase 15,000 kg. steel dust, 32-M/2-SO-RSI. c.&f. delivery at Iranian port. Security deposit 90,000 rials & delivery time limit is 2 mo. from date of documentary credit. Interested parties must deposit 500 rials with central Bank of Iran for credit to account no. 1039. Obtain info concerning terms, conditions, specs. as well as tender docs. from Gen. Procurement Dept., Railway Sq., Iranian State Railways, Tehran. Refer to bid no. 709/36. Bid deadline June 25.

Fabricated metal products

3441381—EL SALVADOR—6 intake gates with hydraulic hoist, 5.8 meters wide, 12.3 meters high, with 42.4 meter head on gate sill, & 6 sets embedded parts. 8 radical spillway crest gates with hydraulic hoist, 12.2 meters wide, 16.5 meters high, & 8 sets embedded parts. Est. value $11.2 million. Local currency financed by govt., foreign currency financed by bidding firm. Financing terms will be evaluated as part of offer presented. Bid docs. available for $100 at address below, also at Harza Engineering Co., 150 S. Wacker Dr., Chicago, Ill. 60606 & must be obtained prior to submitting offers. Firms must submit with their offer following info.—record experience in similar works, financial status, description plant, organizational structure, bank references & any other pertinent data. Delivery required between June 1979 & March 1981. Items for San Lorenzo Hydroelectric Project. Obtain bid docs. from—Comision Ejecutiva Hidroelectrica Del Rio Lempa (CEL), Calle Poniente No. 950, San Salvador. Refer to bid no. CEL-579. Bid deadline July 26.

3441381 — EL SALVADOR — Six intake trashracks 5.80 x 17.20 meters for 6.00 meter differential waterhead on gross area of trashrack with 6 sets embedded parts. 3 intake bulkheads 5.80 x 14.00 meters for 41.00 meter waterhead with 6 sets embedded parts & lifting beam. 6 draft tube bulkheads 5.80 x 8.20 meters for 39.00 meter waterhead with 6 sets embedded parts & lifting beam. 1 spillway bulkhead 13.90 x 18.95 meters with 8 sets embedded parts, 4 addl. 2.20 meter high bulkhead secs. & lifting beam. Est. overall value $2.4 million. Bid docs. available at address below & also at Harza Engineering Co., 150 S. Wacker Dr., Chicago, Ill. 60606 for $100 & must be obtained prior to submitting offers. Delivery date at site between May 1979 & Nov. 1980. Firms must have successful experience in design & mfr. above. Obtain bid docs. from—Comision Ejecutiva Hidroelectrica Del Rio Lempa (CEL), Calle Poniente No. 950, San Salvador. Refer to bid no. CEL-573. Bid deadline July 19.

3494337-500, 3321500-700-800, 3494500 — BANGLADESH—7,000 pieces ¾ in. insulated lock wing cock (gas stop) of ¾ by ¾ in. size, connection screwed, inside I.P. thread & insulated union couplings with outside I.P. thread, tender no. MCD. 2312/320-COCK, deadline June 27. Also, gas pipeline fittings of various categories & sizes, to below address. Fee of T.Shs. 500 incl. tees, elbows, reducers, bends, caps, unions, flanges, gaskets, saddles, nipples, half couplings & steel couplings, compression tees & couplings, flanged adapters, u-seal casings & insulators, tender no. MCD. 2312/320-FIT, deadline July 4. Financed by Asian Dev. Bank credit. Quotation should be c.&f. Chittagong basis (by sea freight). Prescribed tender form & other docs. giving detailed specs., requirement, terms & conditions available for TK.300 (about $20), not refundable from below address, or from Bangladesh Missions Abroad, & must be obtained prior to submitting offers. Experience with Bangladesh tenders indicates that any U.S. firm interested in successfully participating in tenders will require local agent. Cable—TITASGAS; telex PETRO-DAC-725. Obtain bid docs. from—Gen. Mgr., Titas Gas Transmission & Distribution Co., Ltd., Dilkusha Court, 7 Motijheel Commercial Area, Dacca, Bangladesh.

Farm machinery

3523000, 9923202—TANZANIA—Govt. has received loan from Abu Dhabi Fund for Economic Dev. & wishes to apply part of loan to buying agricultural equip. No details available on types or value of equip. Interested bidders should apply for prequal.

Important Notice

Most member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specific types of business relationships with the State of Israel. The Commerce Department will not disseminate nor make available for inspection any tenders or trade opportunity documents which contain conditions intended to support such boycotts, or which are based on documents known to contain such provisions. Trade or investment opportunities published herein are not presently known to be subject to such conditions. However, it is possible that U.S. firms responding to opportunities from Arab countries may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person, and (b) to encourage and, in specified cases, to require United States persons engaged in the export of articles, materials, supplies or information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting such restrictive trade practices or boycotts. Violators of U.S. anti-boycott law are subject to severe penalties including fine, imprisonment and revocation of export license privileges.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such request to the Department of Commerce in accordance with Section 369.6 of the above-cited regulations.

(US$64) for tender docs. Telex no. 41338 SUKARI; cable SUKARI, DAR ES SALAAM. Apply to—J. J. Mungal, Sugar Development Corp., P.O. Box 4353, Dar Es Salaam, Tanzania.

3523400, 3425040 — BURMA — Supply 500 diesel-powered tillers with trailers. Supply 7,500 two-man crosscut hand saws, 100 gross 8 in. triangle files, & 500 saw sets. Financed with IDA credit. U.S. Embassy Rangoon, will forward copies bid invitation & specs. to interested U.S. firms on request, citing T-0046, enclosing cashier check or money order for $6.25 per set. Refer to bid no. 2 (T) IDA/MECH/AGRI (78-79). Submit bids to—Dir. Gen., Agricultural Mechanization Dept., 459 Prome Rd., Rangoon. Bid deadline June 30.

Construction machinery

3531878-80, 3644114—SYRIA—Supply of 7 heavy-duty oilfield trucks, 30 tons with winches, bid no. 2994, deadline June 28; also, supply of pole climbing platform, bid no. 2997, deadline June 22. Delivery c.&f. Latakia. Offer firm 60 days after deadline. Mode of payment not defined. Tender book available for 50 Syrian pounds each tender (US$1 about 3.90 Syrian pounds) from Commercial Dept., Syrian Petroleum Co., Damascus.

3536211-52—EL SALVADOR—One 420-ton electric overhead traveling crane with two 210/30 ton trolleys. Bridge span 22.8 meters. One 85-ton electric traveling single trolley equal leg outdoor gantry crane with 10 meter overhang jib equipped with ½ cu. meter double rope clamshell bucket. Gantry bridge span 12.5 meters. One 25-ton electrical traveling fixed-hoist equal leg outdoor gantry crane. One 3.5-ton electric top-running single-girder bridge crane with monorail hoist. Est. overall value $2 million. Bid docs. available for US$100 at address below, & also at Harza Engineering Co., 150 S. Wacker Dr., Chicago, Ill. 60606, & must be obtained prior to submitting offers. Delivery dates are May 1980 for 85 & 25-ton cranes; June 1980 for 420-ton crane & Dec. 1980 for 3.5-ton crane. Items to be used for San Lorenzo Hydroelectric Project. Interested firms must have successful experience in design & mfr. of above items. Contact Comision Ejecutiva Hidroelectrica Del Rio Lempa (CEL), Calle Poniente No. 950, San Salvador. Refer to bid no. CEL-575. Bid deadline July 25.

Metalworking machinery

3541000 — EGYPT — Various machine & hand tools needed for arsenal. Tender docs. available for L.E. 33, U.S. $47.14, per copy from Suez Marine Arsenal, Foreign Purchasing Committee, P.O. Box 13, Port Tawfik, Suez, Egypt. Refer to tender no. 1/78. Bid deadline July 3.

Special industrial machinery

3551367—ITALY—Water distillers (est. value $500,000) & spray driers (est. value $800,000). Quote f.o.b. or c.i.f. Leghorn, against L/C. Small proprietorship mfg. some lines of machinery for chemical, pharmaceutical, & food industries. Also imports other lines of above machinery from France, U.K., & Germany & is agent of foreign companies for filters, multipliers, driers, & other food products working machinery. Has plant of 1,800 sq. meters, employs 18 plus 5 salesmen & 3 reps., has business turnover of 1.5 billion lire (dlr.1 = 8.50 lire)/yr. Sells throughout Italy. Local sources report buyer is

good reliable contact. Tel. 0583/299901; telex 50331 A ZETA. Reply to—Aldo Zanchetta, Zeta Inox, Via Fossanuova, 55016 Porcari (Lucca), Italy. Cable ZANCHETTA PORCARI.

3551469, 3824300—IRAN—Bottle & liquid counting machinery, photoelectric, 10,000 liters—50,000 bottle/hr. per unit, 100 units. Highway toll gate, semi-automated, 50 units. Interested parties send tech. info concerning their products directly to Mr. Banaikashani, Dir. Gen., Dept. Indirect Taxation, Ministry Economic Affairs & Finance, Ark Square, Tehran.

General industrial machinery

3561100 — CHAD — Eighteen irrigation pumps delivered in N'Djamena, Chad. Delivery in no longer than 7 mo. 1st lot to be delivered by air. Deposit of 10,000 CFA (1 French franc—50 CFA) required with request to examine dossier in cash or by check to account 60576 at Chadian Dev. Bank (BTCD), B.P. 461, N'Djamena. Bids & requests for dossiers to be in French & sent by registered mail or given to Dir. of ONDR upon receipt. Bids to be sent in 2 envelopes, outer envelope to be marked Soumission A N'Ouvrir Qu'en Commission, Appeal D'Offres No. 0023/78. Send to Director De L'Ondr, B.P. 896, N'Djamena, Chad. No deadline stated.

Service industry machinery

3585100-200, 9917304 — SYRIA — Supply cooling storehouse equip., cap. 20,000 mt cottonseed in bulk. Bid bond US$20,000, final bond 10 percent contract price. Quote f.o.b. & c. & f. Latakia. Offer must be firm for 90 days after deadline. Obtain tender book from—Syrian Industrial Co. for Vegetable Oils, P.O. Box 503, Aleppo, Syria. Refer to bid no. 2696. Bid deadline July 1.

3586000, 3623100, 3629221—ALGERIA—Supply 1 greasing station mounted on trailer, 16/27 cu. meter/hr. cap., 10 bar pressure, gasoline Bernard engine, one 10 kw battery charger set mounted on trailer, Deutz engine, 19H/P, F2L912 type, welding set, mounted on trailer, 50-40 amperes cap., Deutz diesel engine, F3L912 type, 42H/P. Tender docs. must be obtained from below address prior to submitting offers. Offer must be c.i.f., incl. tech. lit., guarantee, training personnel & parts. Variations on specs. acceptable if identified. Offer & all corres. must be in French; all specs. metric. Obtain bid docs. from—Direction Generale De La Logistique, Sous-Direction, Ministere De La Defense Nationale, B.P. 246 Alger-Gare, Algiers. Telex 52547. Submit offers ASAP.

Electric transmission, distrib. equip.

3612000, 9918203 — EGYPT — One substation 2 x 75 mva, 220/66/11 kv transformers. To be supplied on turnkey basis incl. all necessary equip. To be installed at site 100 km south of Cairo. Approx. value $2 milllion. Eng. Ashraf Sakr, Mgr., Sakrco Enterprises, 15 Mahmoud Azmy St., P.O. Box 259, Alexandria. Cable SAKRENTERP; tel. 808020; telex 54333 UN ATT.—SAKR.

3613111-13-31, 3643061 — EL SALVADOR—2 sets insulated phase bus assemblies; 2 sets motor operated disconnect switches; 2 sets manually operated disconnect switches; 2 sets generator surge arresters & potential transformer cubicles, complete with supporting steel, accessories & spare parts; 2 sets generator neutral grounding cubicles, with accessories & spare parts; one 480-v main station service switchgear assembly complete with two 13.8 kv to 480v transformers, accessories & spare parts. Items for San Lorenzo Hydroelectric Project. Est. overall value $800,000. Docs. available at address below & also at Harza Engineering Co., 150 South Wacker Dr., Chicago, Ill. 60606. Cost bid docs. is U.S.$100. Delivery date at site 1/81. Interested firms must have successful experience in design & mfr. of items. Obtain bid docs. from—Comision Ejecutiva Hidroelectrica Del Rio Lempa (CEL), Calle Poniente No. 950, San Salvador. Refer to bid no. CEL-582. Bid deadline July 5.

Electrical industrial apparatus

3629323 — NORWAY — Thermo-electric generators utilizing kerosene fuel. 12V-24V-48V, size from 250W. Large generators 2-5kv preferably 220W-50cycles. Product requested by small energetic firm, specializing in telecommunications & communication equip., selling to military & industrial customers. Estab. 1971. Employs 4. Subj. generators in demand by Norwegian military forces. Ref.—Den Norske Creditbank, P.O. Box 100, 3101 Tonsberg. Write or telex Olav Ulltveit-Moe, Mgr., Umi Elektronikk A/S, Ornesveien 33, Teie Torv, P.O. Box 462, 3101 Tonsberg, Norway. Tel. (033) 16 266; telex 19690.

Communications equipment

3661270—ARGENTINA—Entel, Argentine state-owned telephone co., holding bid to supply & install various types modems for use in its telex data transmission system. Modems of following quantities & types desired—80 modems, 9600 bits; 31 modems, 4800 bits; 230 modems, 2400 bits with reception channel; 120 modems, 2400 bits without reception channel; 340 base channel modems. Modems must be delivered & installed within 7 mo. following signing contract. Equip. valued at approx. $1.5 million & installation costs will total another $1 million. In addition, successful bidder probably will be asked to install more equip. to expand system at later date. Supplier will be expected to arrange financing. Bid deadline will probably be in mid-July & bid docs. expected to be available shortly. Interested companies should contact Ing. Jose Blanco, Dir. De Ingenieria, Entel Argentina, Dorrego 2520, 9 Piso, 1425 Buenos Aires.

Railroad equipment

3662300 — FINLAND — Board of Admin. Finnish State Railways, has decided implement railroad automation program aimed at improving safety standards by minimizing human error factor. Appropriation of FMK 51.2 million (approx. $13 million) under 1978 natl. budget is to be spent in acquisition of relay interlocking systems (worth about $6 million), automatic block systems, centralized traffic systems & marshalling yard equip. Installation these systems will begin this year & scheduled to be completed in 1981. According to Tech. Dir., Finnish State Railways, even though W. German mfrs. have traditionally supplied lion's share of safety equip., serious consideration would be given to U.S. sources of supply. U.S. firms specialized in mfr. railroad safety equip. can obtain bid docs. from E. Lamminpaa, Tech. Dir., Finnish State Railways, Board of Administration, P.O. Box 488, SF-00101 Helsinki 10.

Medical equipment

3693000, 2392800, 3572020 - 4100 - 4300, 3811200, 3841000-3000 — DOMINICAN REPUBLIC — Secretariat Public Health announced it will construct 26 rural health clinics at cost of RD $50,000 ea. Also will build 30-bed medical center in city of Hato Mayor at cost RD$450,000 which will incl. x-ray equip., maternity ward equip., dental equip., furniture, linens, office equip., educational materials, diagnostic & sterilization apparatus, lab. equip., infirmary supplies & equip., kitchen equip., maintenance tools, & electric appliances. Projects are financed by World Bank. Bid docs. & specs available at cost of DR$200 from Secretaria De Estwdo De Salud, Publica Y Asistencia Social, Avenida San Critobal Esq., Tiradentes, Ensanche La Fe, Santo Domingo. Bid deadline June 26.

Motor vehicles, equipment

3711231-4100 — GHANA — Supply about 100 pickup trucks & substantial quantity spares; engine should be gasoline type of up to 75 hp capacity. Only mfrs. or their duly appointed agents qualified to bid. Financed with IBRD loan. Tender docs. available for non-refundable deposit of $20 from Chief Executive, Ghana Highway Authority, Head Off. (Rm. 221), P.O. Box 1641, Accra. Telex 2113 Harris; cable HIGHWAYS, ACCRA. Bid deadline July 17.

Measuring and controlling devices

3823000—INDIA—Tender for design mfr., inspection, testing, shipping & guarantee 90 electronic recorders & ancillary equip. according to specs. provided by purchaser. Recorders having 1, 2 or 3 pens will be used for indication of process variables on various control panels, vertical or sloped up to 73 degrees from vertical. All recorders should have non-ventilated nema type 2 drip-proof indoor enclosures. Power supply available 240 v ac 50hz with normal voltage variation 10 percent. Recorders should be suitable for operating under normal conditions with changing component characteristics & off-normal conditions without permanent deterioration of characteristics. Normal ambient temp. likely to vary from 15 degrees to 25 degrees centigrade and relative humidity up to 60 percent while off normal ambient temp. likely to rise to 60 degrees centigrade with relative humidity up to 95 percent. Recorders should have strip charts running vertically or horizontally. Charts 100 mm nominal width or its nearest equivalent preferred. Recorders should use bottle or plastic sac reservoirs holding at least 3 mo. supply of ink input signals & impedance, dc input signals from 5 millivolts to 100 millivolts & from 50 microamperes to 50 milli amperes & 50 cps ac signals from 10 v to 300 v. Detailed specs. provided in tender. Obtain tender docs., priced RS. 100 (approx. $12.20), from Mr. Kalimuddin, Asst. Purchase Officer, Dept. Atomic Energy, Directorate of Purchase & Stores, 3rd Fl., Mohatta Bldg., Palton Rd., Bombay 400 001. Refer to bid no. DPS/NAPP/PPED/IEE/11. Bid deadline June 22.

3824231—NEPAL—Supply & delivery approx. 27,000 water revenue meters ranging in size from 12 mm to 50 mm. Foreign exchange cost being financed through loan from World Bank—IDA. Tender docs. available upon payment of non-refundable sum of NRS. 200 (US$17) from—Project-In-Charge, Water Supply & Sewage Board, Tripureswor Marg, Kathmandu, Nepal. Refer to contract no. IDA/202. Bid deadline July 17.

3825000, 3873100—SYRIA — Requirement

for astral clocks & counters, measuring transformers, equip. for testing transformers & spare parts. Bid & performance bonds 600,000 Syrian pounds, 10 percent contract price. Delivery period 10 months. Delay penalty 1 per thousand daily. Direct offers accepted. Mode of payment not defined. Tender book available against 400 Syrian pounds (U.S. $1 = 3.90 Syrian pound) from Contracts Dept., Public Establishment of Electricity, Damascus. Refer to bid no. 2720. Bid deadline July 8.

3829439—WEST GERMANY—Photo tubes for incorporation in liquid scintillation counters & spectrometers. Buyer is medium-sized mfr. of process control & nuclear radiation detecting instruments. Employs 250 & lists annual sales DM 30 million. Operates branches in France, Switzerland, Austria, Belgium & Netherlands. Favorably known to Consulate General. Reply to—Herr Dr. Berthold, Laboratorium Prof. Dr. Berthold, Calmbacher Str. 22, D-7547 Wildbad 1, Germany. Telex 724019; tel. 7081/3981.

Construction

9911202, 9950022 — NIGERIA — Ibrahim Katuri, Gen. Mgr., Arewa Hotels, subsidiary co. Nigerian Dev. Corp., announced that organization plans build 6 hotels in 6 different state capitals at est. cost of 20 million naira each. Tender for 1st one, Sokoto Hotel, announced earlier this yr. (closing date was too short to alert U.S. contractors); other 5 hotels to be built will be in state capitals of Bauchi, Niger, Gongola, Benue & Kwara States. They will go to tender within next 3 mo. Opportunities also exist for sale hotel equip., supplies & furnishings in addition to construction contracts. Contact—Ibrahim Katuri, Gen. Mgr., Arewa Hotels (Dev.) Ltd., PMB 2190, 24 Waff Rd., Kaduna, Nigeria. Telex 71108; cable AREWOTELS.

9911202-3-7—SIERRA LEONE—Govt. Sierra Leone issued international bid for modernization of Bunubu Teachers' College. Project consists of site dev., construction classroom blocks, workshop, laboratories, library, agricultural complex, hotels, multipurpose halls, staff houses, rooming & boarding houses, water pump installation & servicing contractors, electrical work contractors & provision of furniture, & equip. Obtain specs. from—Project Dir., Sierra Leone/ADF Education Project Unit, Private Mail Bag, Freetown. Refer to bid no. IDED/SEC/44. Bid deadline June 22.

9911203, 9913107, 9923211, 3662540-50, 3811185-200—KUWAIT—Zaid Al Kazemi Sons Trading Co. seeks U.S. mfrs. & suppliers capable designing & outfitting oceanographic research vessel for use in Gulf/Indian Ocean area. Firm is providing pretender planning service for agency of Kuwait Govt. Also, is preparing proposal for specs. & supply of turnkey hydraulics laboratory for Shuaiba Industrial Area. Project is 9 mo. to a yr. downstream; only specs. which have thus far been established is that lab should be comparable to one at Univ. of California, Berkeley. U.S. firms capable supplying such info. & asst. should contact Abdulgader Banat, Zaid Al Kazemi Sons Trading Co., P.O. Box 30, Safat, Kuwait. Telex 2339 KT; cable AL KAZEMI KUWAIT; tel. 411-544. WTDR 12/77.

9911207-99, 3662241-51-90, 3662690, 9922-103-99—VENEZUELA—Govt. considering building museum of modern history (roughly similar to Smithsonian) which would use latest design & technology in terms of displays & visitor facilities (audio-visual exhibits, continuous broadcast explanations of exhibits with individual earphones for visitors, etc.). Museum would be located behind proposed new natl. library & archives, near Parque Del Norte, Caracas. Project in very preliminary stage. Govt. has approached local architect, Carlos A. Brando Paz (who is Pres., College of Venezuelan Architects) to do preliminary design for museum. He would like to spend about week in U.S. visiting perhaps 3 different modern museums, & discussing project requirements with U.S. consulting & A&E firms which have experience in museum design & engineering & companies which could provide specialized electronic & other equip. for project. Does not speak English & requires bilingual guide. Local firms would probably be favored for actual construction & would probably be expected to do conventional detailed design & engineering aspects. However, specialized engineering & design work, as well as equip., would come from abroad. Contact—Janice Philbrick, Off. Export Dev., Dept. of Commerce, Room 3410, Washington, D.C. 20230. Tel. 202-377-4146.

9911207, 3541800, 3553100, 3825200—INDONESIA—Min. Education & Culture with financial asst. from IBRD loan agreement no. 1237-IND, is undertaking tech. education project, which incl. procurement school—workshop equip. for 4 tech. training centers at Semarang, Yogyakarta (C. Java), Palembang (S. Sumatra) & Padang (W. Sumatra). Total value equip. requirement tentatively est. at US$7.5 million. Mfrs. and/or suppliers from member countries IBRD & Switzerland who wish participate in equip. bidding obtain tender docs. from—Project Dir., Ministry of Education & Culture, Jalan Hang Lekir II/16, P.O. Box 121/KBYB, Kebayoran Baru, Jakarta Selatan, Indonesia. Tel. 714054 & 712084. No bid deadline stated. Refer to bid no. 1272/EQ/78.

Communication projects

9912102-201, 9912900—URUGUAY—Turnkey installation of coastal radio, telephonic, & telegraphic communications system incl. provision & installation of antenna towers, transmitting & receiving stations, radio, telephonic & telegraphic equip., etc. Training personnel also required. Integrated system designed provide effective radio, telephones & telegraphic communications between Uruguay & ships which operate in Rio De La Plata & Rio Uruguay & on high seas off Uruguayan coast. Total cost project approx. $1 million & will be partially financed by IDB loan. Firms wishing to bid must purchase bid docs. costing about $150 from Administration Nacional De Telecomunicaciones (ANTEL), Paraguay 2431, Subgerencia De Abastecimientos, Piso 5, Montevideo, Uruguay. Refer to bid no. 070. Bid deadline Aug. 3.

9912700 — CYPRUS — Engineering, furnishing & installing ready for operation Intelsat standard intl. satellite communications earth station with terrestrial microwave radio network & ancillary equip. Only tenders for supply all works detailed in spec. must be submitted. Part supply will not be accepted. Quotations should be either in U.S. dollars or Cyprus pounds showing separately f.o.b. value equip., transportation & insurance to site & also installation cost. Quotations should be accompanied by 5,000 Cyprus pounds bank guarantee issued by one of banks allowed to operate in Cyprus in favor of & payable to CYTA without any provisions or restrictions. "Statement of compliance" should also be incl. with tender indicating degree compliance with specs. Payment & credit facilities provided should also be incl. All transportation goods or personnel shall be effected through Limassol or Larnaca ports or Larnaca intl. airport. Tender docs. & specs. available for 50 Cyprus pounds (US$130) per set of 2 from George Papaioannou, Chief Engineer, Cyprus Telecommunications Authority, P.O. Box 4929, Nicosia, Cyprus. Refer to contract no. 7100, ref. T.20. Bid deadline July 7.

Mfg. & fabrication plants

9913309-99, 3542351—ALGERIA—Supply all equip. for producing aluminum cans incl. pull-tab tops (18-22 centiliter size); filling & capping cans; pasteurizing filled & sealed cans (using flash pasteurization process) for grape juices, soft drinks & tonics. Cap. 10,000 to 15,000 cans/hr. While initial production expected to be 18-22 centiliter size, hopes to expand to 35 cl or larger later. No tender document issued. Wishes direct consultation with interested firms. Offer to incl. approx. cost supply, installation & start-up equip., plus brief period of tech. asst. & training personnel. Upstream & downstream facilities already existing. Variations on specs. acceptable. Offers & all corres. must be in French; all specs. metric. Submit offers by telex to—M. Aissa Mostefaoui, Dir. Des Approvisionnements Et De L'Equipement, ONCV, 112, Quai Sud, Algiers. Telex 52070; tel. 63.09.40. Reply ASAP.

Metals production & processing

9914199, 3567100—VENEZUELA—Byensa C.A., private firm, seeking offers for design, construction, supply & start-up of continuous billet casting facility for use at Byensa's steel products plant in La Concordia, San Cristobal, Tachira State, in W. Venezuela. Facility must be planned to produce 100,000 annual tons 4" x 4" billets. Also required design, construction, supply & start-up 2 electric furnaces 10/15 mva ea. for use at same plant. Used equip. preferred for both billet casting facility & furnaces. Firm presently engaged in expansion plan, incl. installation of rolling mill, that will start-up in Oct. 78, producing 30,000 tons steel. After this installation finished, firm plans to move ahead on continuous casting facility & electric furnaces, with probable purchase date Dec. 78. Estimated foreign content $8-10 million. Firm would like to obtain 5 yr. financing for furnaces & casting equip. Contact—Ing. Ildemaro Sanchez Morales, Pres., Byensa C.A., Apartado Postal 113, San Cristobal, Estado Tachira, Venezuela. Tel. (076) 25297.

9914299, 9913309—EGYPT — Supply complete equip. for mfg. tin cans. Tender docs. available for L.E. 50 (U.S.$71.42) per copy from Misr Petroleum Co., 6, Orabi St., Cairo. Refer to tender no. 20/8/44. Bid deadline June 22.

Dam construction

9915102-8102, 3511000—NICARAGUA—Brito Hydroelectric Project involves partially stemming outflow of Lake Nicaragua by damming Rio San Juan & diverting water to Pacific down Brito River. Generating facility 250 mw would be located at town of Brito on Pacific coast. In addition to dam construction on San Juan River, a cut through narrow continental divide would be necessary to link lake

with Brito River. Proj. cost $250 million. Financing source not determined. Foreign procurement — turbines, generators, mechanical & electrical equip. Feasibility study conducted by U.S. Bureau Reclamation. Construction scheduled to begin in 1979 & to be completed in 1982. Contacts—Stanley Larsen, U.S. Bureau of Reclamation, U.S. Embassy Managua, APO New York 90885, or Ing. Remy Rener, Vice Minister for Dev. E. Coast, Ministry Public Works, Apartado Postal 28, Managua. Tel. 25952/4.

Natural resource utilization

9915103 — BAHRAIN — Supply, erection, delivery, commissioning & all related civil works for 3 multi-stage flash, cross tubes type distillers, each 5 million imperial gal./day output. Ministry planning extension of its 5 million gpd sea water desalination plant at Sitra Power & Water Station. Although invitation to interested companies to collect avail. info. announced last Aug., tendering invitation postponed to this yr. Unknown whether future call will be again for collection of new info. or for tendering. Interested U.S. companies should contact Ministry for expression of interest and/or inclusion in any available invitation list. Station was constructed by several companies including S.I.R. of Italy which supplied distillation units & Wagner Biro of Austria which supplied boilers. Financed by Bahrain Govt. through loans from regional Arab dev. funds. Reply to—Jamil Al-Alawi, Asst. Undersecretary for Electricity & Water, Ministry Works, Power & Water, P.O. Box 2, Manama, Bahrain.

9915106—INDONESIA—Intl. contracting firms or consortium belonging to member countries of World Bank & Switzerland invited to submit application for prequalification for execution of—Jatiluhur Irrigation Extension Project contract no. IVA and IVB in Kabupaten Bekasi, W. Java. Cipamingkis Irrigation Project contract no. I in Kabupaten Bogor, W. Java. These are multiyear contracts & co-financed by govt. & World Bank. Questionnaires for prequalification must be obtained (upon written request) against payment of Rupiah 30,000 (approx. $72.29) for 2 sets from Perum Otorita Jatiluhur, Directorate of Irrigation, Jalan Pattimura 20/7, Kebayoran Baru, Jakarta Selatan, Indonesia. Refer to bid no. 2/AIR/42/UND/1978. Prequal. deadline June 30.

9915106, 9923202 — LIBYA — Specialized firms invited to bid for following: Alkhoums farm project—pilot irrigation 240 hectares, administrative & service bldgs., storage facilities, seed-treatment units 500 sq. meters, workshops, garage for heavy-duty equip. & 300 sq. meters seed-drying facilities; Alaziziah farm project—irrigation networks, pipe storage, pumping units & internal connections, 6 pivot irrigation system for 90 hectares fruit nursery, 8 housing units & administrative bldg., service station, mechanical storage facilities, workshops, & power station, 300 sq. meters freezing storage, 2,000 sq. meters freezing rm., & paved yd. Financed by Libyan Govt. through Libyan commercial bank. Tender docs. & specs. obtainable upon payment of LD 100 ($340) from below address & must be obtained prior to submitting offers. Offers must be accompanied by guarantee 1 percent total value bid & certificates showing financial status & tech. background of co. Tender is divisible. Obtain bid docs. from—Libyan Arab-Romanian Co. for Seeds, Ben Ashour St., Zengat Al-Wahsh, P.O. Box 3005, Tripoli, Libya. Bid deadline June 25.

9915109—NIGERIA—Sokoto State invites sealed tenders from contractors registered with Sokoto State Tenders Board for "Construction of Boreholes for Semi-Urban Water Supplies" Contract No. SSYB/145/77-78. Consulting engineers for project are Ward, Ashcroft & Parkman (Nigeria), 18/19 Ahmadu Bello Way, P.O. Box 99, Kaduna. Work comprises construction 40 boreholes for water supply at 20 locations throughout Sokoto State. Contract period 300 days. Further details & specs. included in tender docs. which must be obtained from Office of Gen. Mgr., Sokoto State Water Board, Sokoto, on payment of nonrefundable processing fee of 200 naira. Completed tender docs. should be sent in sealed envelopes with contract no. & title to Secretary, Sokoto State Water Board, PMB 106, Sokoto, Nigeria. Bid deadline June 30.

9915109—PAPUA NEW GUINEA—Dept. Works & Supply beginning prepare tenders for equip. & drilling water supplies for 4 major towns Lae (L), Wewak (W), Mount Hagen (H), and Madang (M). Project will cost est. $14 million & financed by ADB. Incl. several drilling contracts worth $1 million ea. Following tenders will be issued in order contract nos. starting most likely in July—no. 1, well construction L; no. 2, groundwater investigation M; no. 3, supply & delivery pipes LWH; no. 4, supply & delivery valves LWH; no. 5, supply & delivery meters LWH; no. 6, supply & installation borehole pumps L; no. 7, supply & erection pumping plant & equip. LWH; no. 8, supply & erection treatment plant LWH; no. 9, construction pumping station, reservoirs & trunk mains L; no. 10, laying reticulation mains (1) L; no. 11, laying reticulation mains (2) L; no. 12, construction headworks W; no. 13, construction reservoirs & trunk mains W; no. 14, laying reticulation mains W; no. 15, construction headworks H; no. 16, construction reservoirs & trunk mains H; no. 17, laying reticulation mains H; no. 18, supply & delivery pipes M; no. 19, supply & delivery valves M; no. 20, supply & delivery meters M; no. 21, well construction M; no. 22, supply & installation borehole pumps M; no. 23, construction wellhead pipelines & reservoirs M; no. 24, construction trunk mains M; no. 25, layng reticulation mains M. It is believed tenders will be for 90 days. Dept. Works & Supply does not have system to pre-register requests for tender docs. Will report each tender as it becomes available. Interested firms contact U.S. Embassy Port Moresby, which will keep file & make sure docs. are sent to interested firms as they are issued. Obtain info from—Allan Taylor, Dept. Works & Supply, P.O. Box 1108, Boroko, Papua New Guinea.

9915502, 9915108 — BOLIVIA — Regional Dev. Corp. Agency inviting foreign & local construction firms to offer quotations for construction sewage system in industrial park of Santa Cruz. Construction financed by loan no. 485/SF-BO by IDB & Regional Dev. Corp. Projects to be done are—storm sewer system, with open pluvial water conduit, value project US$693,330.63; elevated station, civil works & equip., value $788.683.08; sewerage treatment plant & regulation reservoir, value $506,219. Specs. & plans available for $75 from Comite De Obras Publicas De Santa Cruz, Calle Loayza 250, Edificio Casilla 8 Piso, La Paz. or Corporacion De Desarrollo De Santa Cruz, Ing Percy Fernandez A., Casilla 218, Santa Cruz. Refer to bid no. 6/78. Bid deadline June 26.

9915504—ALGERIA—Ministry of Interior wishes make contact with firms supplying sea pollution control equip., especially oil pollution equip. Manufacturers preferred. Interested firms should write directly to address below, incl. full details on firm & products. All correspondence, incl. brochures, should be in French. Submit offers by registered mail to—Direction Generale De La Protection Civile, Ministere De L'Interieur, Palais Du Government, Algiers. Reply ASAP.

Highways, roads & facilities

9916404—INDIA—Govt. of India will receive from World Bank credit of $126 million towards cost construction at Upper Krishna project in Karnataka. Project involves construction main canal with discharge capacity 283 cu. meters/sec. Canal will be 77 km long & will cut through 2 high ridges, where it is proposed to construct 2 tunnels. Construction of tunnels, estimated to cost $18 million, to be open for intl. competitive bidding. Bidding docs. will be issued Sept. 1978. Pre-qualification notification now issued is for inviting contracting firms in member countries of World Bank & Switz. to furnish necessary info. to get themselves pre-qualified for bidding. Interested U.S. firms must buy pre-qualification doc. from address below by remitting RS 125 in accordance with instructions given in pre-qualification notification from Dept. Commerce, TOP, Rm. 2321, Wash., D.C. 20230, tel. 202-377-2251. Obtain prequal. docs. from—Shivappa, Exec. Engineer Id, Irrigation Dept., Govt. Karnataka, Ukp Nlcb Div. No. 2, Hunasgi 585 214, Gulbarga Dist., Karnataka, India. Prequal. deadline Aug. 1.

Refrigeration & cold storage

9917304 — YUGOSLAVIA — Turnkey cold storage facility incl. packing plant. Cold storage facility will have cap. for 3,000 tons fruits & vegetables. Construction to be completed within 15 mo. of award contract. Tender docs. available for $170 payable to account of "Agrokombinat 13. Juli", Titograd, A/C no. 20100-620-37-7100-000-51, with Investiciona Banka Titograd, Bulevar Revolucije 1, 81000 Titograd, & must be obtained prior to submitting offers. IBRD partially financing project. For more info. interested firms contact Nikola Petrovic, Mgr., Vinoprodukt Cemovsko Polje, 81000 Titograd, Yugoslavia. Telex 61165 YU AGRO. Refer to 90/536. Bid deadline July 14.

Power generation & transmission

9918102, 3511000, 3531000, 9915102—NICARAGUA—Copalar hydroelectric project involves construction 1 dam on Rio Grande De Matagalpa, with total 350 mw installed generating cap. Negotiations for financing arrangements with Canada, Venezuela, & Brazil under way. Foreign procurement—engineering, services, 4 turbines with 87.5 mw cap. ea., related generating equip., transmission lines, & construction equip. Feasibility & engineering study completed. Construction will begin 2 mo. after financing finalized, perhaps in Aug. or Sept. Project completion scheduled for 1984. N. B. Eddie Rodriguez Feliu, financial agent for Nicaraguan Govt., arranging financial package for this project on behalf of Pres. Somoza. Contact—President Anastasio Somoza DeBayle, Despacho Presidencial, Managua, Nicaragua. Tel. 27600.

9918102—PAPUA NEW GUINEA—Tenders for mechanical-electrical equip. for ADB-financed provincial hydroelectric scheme will soon be coming up for tender. Projects involve run-of-the-river hydro-

electric generating plants. Four projects currently have ADB financing. Ru Creek, located in W. New Britain, will require two 400 kw generators. Project now under construction, tenders likely to be issued in 1-3 mo. Sohun, located in New Ireland, will require one 200 kw generator. Project now under construction & tender expected to be issued soon. Tinputz, located in No. Solomons, requires two 100 kw generators & construction expected to start shortly. Lake Hargy located in W. New Britain, requires two 750 kw generators. Construction should start some time in 1978. Also under consideration, Luwuni project in N. Province, now in planning stage, will require three 2-megawatt generators. U.S. suppliers interested in more info. should contact V. Hodgens, PNG Electricity Commission, P.O. Box 1105, Boroko, Papua New Guinea.

9918104—INDIA—Tata Electric Companies has issued its 1st tender notice for steam generating plant. Bid will be managed by its consultant, Tata Consulting Engineers (TCE). Bids call for supply, erection, testing & commissioning of 1 coal-fired steam generating plant, with provision for oil & gas firing, rated to deliver 1672 metric ton/hr. superheated steam at 178 atg & 541 degrees c at reheater outlet header with auxiliaries. Steam plant will be installed at Trombay, near Bombay, & scheduled date for completion contract 44 mo. from award of bid. Bidders who have designed, mfrd. & installed at least three 500 mw above rated units or have installed units 100 mw & above cap. with capabilities to produce 500 mw units will alone be permitted to make bids. Bid docs. priced at $200 per set from below address & must be obtained prior to submitting offers. Bidders will be required to furnish bid guarantee 3 percent of bid price, subject to max. $1.79 million, in form of irrevocable bank guarantee or bond. Successful bidder will later be required to furnish contract performance bank guarantee or performance bond equivalent to 10 percent contracted price. Other major conditions incl. penalty for delay in delivery & performance guarantee equip. Obtain bid docs. from—Tata Consulting Engineers, Tata Press Bldg., 414 Veer Savarkar Marg, Prabhadevi, Bombay 400 025, India. Cable TATACONSEN; telex 011-4524. Bid deadline July 10.

9918201, 3441341-71, 3612000, 3613000, 3629100 — NICARAGUA — Interconnection with Costa Rica & improvement of national grid project incl. 150 km of 230 kw of transmission lines & steel towers linking Managua to Costa Rican border. In addition, 17 substations around Managua to be expanded and/or upgraded, & numerous short sections transmission lines to be increased in cap. Project cost US$18 million, financed by Intl. Bank for Reconstruction & Dev. Foreign procurement—transmission lines & towers, circuit breakers, capacitors, other transmission & distribution equip. Bids to be called for in mid-1978. Contact—Ing. Adan Cajina, Pres., tel. 22771/4, or Ing. Roberto Vega, V. Pres. for Operations, tel. 26525, Empresanational De Luz Y Fuerza (ENALUF), Apartado Postal 55, Managua, Nicaragua.

9918202—MOROCCO—Preselection firms wishing participate in bidding for study, supply & installation new dispatching for operation of distribution system for high & very high voltage electrical energy production & transportation system of Moroccan natl. network. Financed by Moroccan central govt. investment budget. Firms interested must obtain file "Cahier De Preselection" from address below against payment of DH 50 (US$12 approx.) plus postage prior to submitting offers. Strongly advise bid submission & corres. in French language if at all possible. Refer to preselection no. 17 940 P. Contact Monsieur Le Directeur, Off. Natl. De L'Electricite (O.N.E.), Boite Postale No. 498, Casablanca. Preselection deadline June 30.

9918299 — MOROCCO — Refitting of Lalla Takerkoust Power Station on River Oued N'Fis (Marrakech Province). Main operations are—reinforce power penstock by interior lining 2.66 m dia. over about 60 meters; replace breech pcs.; replace 2 existing alternator-turbines & their direct auxiliaries by 2 block groups (valves—turbines—alternators—transformers) 6000 kw ea., using 13 m3/s flow with 57.50 meter fall; replace whole feeding system auxiliary ser.; replace all electric operation control & signalling systems; reorganize & equip. plant facilities (workshop, warehouse, off.). Financed by Moroccan Central Govt. investment budget. Firms interested must obtain bidding file against payment by check or money order of Moroccan DH 700 (approx. U.S.$165.18) plus postage from Monsieur Le Directeur, Off. Natl. De L'Electricite (ONE), 65, Rue Aspirant Lafuente, B.P. 498, Casablanca. Refer to bid no. 17 200 E. Bid deadline June 24.

Business and financial services

9921199, 9911201—ECUADOR—Dr. Fabian Jaramillo Nieto, Chief, Medical Programming, Social Security Institute (IESS), announced that 2 of several hospital projects that IESS is planning have passed basic design stage, one 250-bed facility for Manta & another for Portoviejo. In addition, bids will be called next yr. for design & construction on turnkey basis of 300-bed hospital for Quito. IESS is doing preliminary planning for hospital in Loja. According to Dr. Jaramillo, IESS has had bad experience with equip. purchased for their hospitals. Contracts have been signed with equip. suppliers who are able to offer low prices, but who deliver goods of poor quality. Would like hire U.S. consultant to analyze their needs & recommend specific equip. with quality considerations paramount, for hospitals in Manta & Portoviejo. U.S. consultant firms with competence in medical field should contact Dr. Fabian Jaramillo Nieto M.S.P., Jefe Nacional De Programacion Medica Del I.E.S.S., Ave. 10 De Agosto (Matriz), Quito. Tel. 230-320, ext. 202. Dr. Jaramillo reads English, but prefers to work in Spanish.

Engineering services

9922199, 9915108-9—NIGERIA—Tenders invited from civil engineering contractors registered in category 'E' or above with Ondo State Works Registration Board or category 'B' or above with Fed. Works Registration board for civil engineering work of supplying & laying asbestos cement pressure pipes incl. supply & installation accessories for water supply to Govt. Reservation Area, Akure. Total length asbestos cement pressure pipes will be approx. 27 km ranging from 80 to 200mm in dia. Also, construction reinforced concrete elevated service reservoir 1200 cu. meter (200,000 gals.) capacity. Tender docs., which incl. bills of quantities, specs. & drawings for contract, available for N200 from Chief Engineer (Design), Ondo State Water Corp., Ife Rd., Pmb 531, Ondo, Ondo State, Nigeria. Bid deadline July 3.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Broad woven fabric mills

2211645—SAUDI ARABIA—Velvets, plain, colored or metallic. Single or double widths; polyester naze, 36 in., 42 in. Order quantities up to 50,000 yards. Est. volume annually $1.5 million. Write or cable—Sayed Mohamed Al-Habshi, Al-Habshi Trading Agencies, P.O. Box 2030, Jidda. Cable BUHAMZA; tel. 32842.

2221269—AUSTRALIA—Woven polyester fabrics, heat set, boiled off or scoured & prepared for printing, 44-45 in. or 59-60 in. for mfg. men's, women's, & children's apparel. Complete quotations & samples required. Reply to—Mr. M. Sweet, Mgr., Apparel Fabrics, Clifton H. Joseph & Son, Australia Pty. Ltd., 66 Foveaux St., Surry Hills, N.S.W. 2010. Cable JOSEPHCLIF; tel. 211-1799.

Textile goods

2299300—WEST GERMANY—Scouring & combing mill products (manmade fabrics, manmade fibers). Importer & distrib. of textile fibers. Employs 4 & lists annual sales vol. DM 20 million. Wishes expand & add U.S. products & rep. Terms of payment—cash against documents. Favorably known to Consulate General. Werner Eiche, Firma Friedrich Eiche, Jahnstrasse 58, D-7000 Stuttgart 70. Telex 7255 602; tel. 711/765061.

Wood products

2499498 — WEST GERMANY — Cork sheets, floor & wall covering, also self-adhesive. Medium-sized mfr. of self-adhesive materials as well as stampings, strips & rolls made of foils, felts, rubber, leather, cork, etc. Estab. 15 years ago. Sales area—W. Germany & Common Market countries. Reply to—Rainer Schlenz, Folien-Und Filzwarenfabrik GmbH, Postfach 1143, Am Herrentisch, 5448 Kastellaun, Germany. Tel. 06762-1794.

Novelty glassware; books, toys

3231633, 3944267-73—UNITED KINGDOM—Firm seeks to represent U.S. supplier of novelty glassware, as well as children's books, infant & pre-school toys. Subsidiary co. Imperial Group Ltd., responsible for imports tobacco products into U.K. Wish expand business into products not associated with tobacco but which can be marketed by estab. sales force through confectionary, tobacconist, news agent outlets, wholesalers & liquor stores. Employs 68. Ref.—Natl. Westminster Bank Ltd., Chantry Way, Andover, Hants. Reply to—A. J. Wine, Chairman & Mng. Dir., Imperial Tobacco (Imports) Ltd., P.O. Box 18, North Way, Andover, Hants, SP10 5AX, U.K. Tel. (0264) 61131; telex 47109.

Structural clay products

3259111—SINGAPORE—Vitrified flexible-jointed clay sewer pipe or its equivalent. Quotations c.i.f. Singapore. Est. annual sales $30,000 or more/mo. Estab. 1970 & became private limited co. in 1973. Deals primarily in electrical equip. & sanitary

supplies; both in cap. as distrib. & installation contractor. Appears to be good contact for interested U.S. companies. Bank refs.—Chartered Bank, Crosby House Br., Robinson Rd., Singapore 1; United Overseas Bank Ltd., 1 Bonham St., Singapore 1; First Commercial Bank, G-2 Uic Bldg., 5 Shenton Way, Singapore 1. Reply to—Ong Yeok Seng, Exec. Dir., Tradecom Pte. Ltd., Suite 201 Eng Cheong Tower, 2nd Fl., 5611 North Bridge Rd., Singapore 7. Cable—TRADESERV; telex RS 23413; tel. 2589088.

Heating apparatus, plumbing fixtures

3433315—AUSTRALIA—Cast iron boilers—solid fuel. Small builder of domestic & commercial buildings. Employs 2. Working capital A$200,000. Has expressed that there is a renewed interest in Australia for cast iron, solid fuel (coal or wood) boilers for domestic market. Indicated that there are, at present, no Australian mfrs. producing coal or wood-burning cast iron hot water boilers & that market being met by U.K. exporters. Reply to—Denis R. Brown, Partner, Brown & Dean, Bon Alloro Track, Harrietville Vic. 3741, Australia.

Metal stampings

3469913 — UNITED KINGDOM — Household kitchen & cooking utensils. Recently formed partnership of experienced retailers. Seek U.S.-made products either as sole agent or distrib. Interested in future mfg. under license. Rely to—Mr. A. Jones, A & M. B. Jones, 8 Church Rd., Penarth, South Wales. Tel. 0222-707708.

3499471, 3679095—WEST GERMANY—Seeks agency for metal aerosol valves, & quartz processors. Foreign trade firm; medium size; 12 employees. Estab. 1932; turnover DM 40 million. Reply to—Bernd Knothe, Theodor Durrien, Trostbrucke 1, 2000 Hamburg 11, Germany. Tel. 040 36 33 31.

Farm machinery

3523098 — THAILAND — Seed processing equip., such as cleaning, selecting, etc., complete sets, capacity 1-5 m/t/hour, for ground nut, maize & bean processing. Requests c.i.f. Bangkok price, general specs. & delivery time. Operates as importer, exporter & distrib. handling agricultural products, fertilizers & pesticides. Looking for above for tender sales to govt. agencies. Reply to—Sutha Indrnhakdi, Mkt. Mgr., Thai Produce Co., Ltd., 66 Rajdamnern Ave., Bangkok, Thailand. Tel. 2212371.

3523582—SPAIN—Strawberry harvesting machinery; transplanting machines for strawberry plants. Very active in agricultural machinery, pesticides, fungicides, & other agricultural chemicals which it mfrs. & also imports. Very well known in country. Requests quotations c.i.f. Spanish port. Call or cable—Antonio Cabezas Mendana, Technical Dir., Vilmorin Andrieux Iberica, S.A., Velazquez, 22, Madrid 1. Cable VILMORIN; telex 43926 VAI; tel. 91/2760572.

Special industrial machinery

3559589 — UNITED KINGDOM — Small equip. for use in printing ink mfr. & for printing, paper, paint & plastic industries. Estab. 1976, acts as agent & distrib. of bronze & aluminum powders & pastes & is interested in either agency or distributorship in above. Has 3 employees; annual sales volume approx. $100,000. Ref.—Barclays Bank Ltd., Market St., Hyde, Cheshire. Reply to—J. M. Lewis, Mng. Dir., Debdale Metal Powders Ltd., Waterhouse Road, Gorton, Manchester M18 7JF, U.K. Telex CHACOM G. 667822 "FOR DEBDALE"; tel. 061-231-1504.

Office, computing, acct. machines

3579698 — WEST GERMANY — Stapling machines, all sorts, incl. for industrial use. Founded 1946; mfrs. & imports stapling machines & machinery for selected industries; good reputation. Reply to—Herr Schulze, Dannenberger Heffklammeafabrik, Ahrensburger Str. 152, 2000 Hamburg 70, Germany. Tel. 66 18 86; telex 0215034.

Household appliances

3634184-5 — WEST GERMANY — Electric kitchen range hoods, ducted & non-ducted. Reputable importer & distrib. of ventilating equip. & flexible plastic hose. Also operates small plastics processing plant, mfg. ducts, grilles, louvers, & other parts for ventilating systems, primarily for households, but also for commercial establishments. Founded 1948, employs 14. Good financial reputation. Reply to—Hans Joachim Naber, Jr., Naber & Co. KG, Alkenstiege 7, D-4460 Nordhorn, Germany. Tel. 05921/5154.

Electronic equipment

3662681 — WEST GERMANY — Consumer electronic equip.—micro computer & novelties. Estab. 1935; annual turnover DM 25 million; 60 employees; good reputation. Reply to—Hans Hinrichsen, Carl Schewe, Essener Strasse 91, Halle 26, 2000 Hamburg 62, Germany. Tel. 040 5270321; telex 2174592.

Measuring & controlling devices

3823039—WEST GERMANY—Pneumatic controllers, both electronic & non-electronic. Medium-size firm, good reputation, estab. 1968, turnover DM 5 million. Reply to—Wolker Nast, Hopfenmarkt 31, 2000 Hamburg 11. Tel. 040 36 50 80.

3823053—WEST GERMANY—Mechanical sample-taking devices to be used in production system for pneumatically conveyed bulk goods. Medium-size firm; estab. 1968; specialists for material handling equip. Turnover DM 30 million. Reply to—Niels Schubert, Schubert & Co., Lederstrasse 28, 2000 Hamburg 54, Germany. Telex 02 12494; tel. 040/5 40 10 27.

3823072-73-86-90, 3829428 — CANADA — Flow & liquid level instruments, electromagnetic, capacitance & other electronic types, float & displacement, controlling, recording, indicating, & transmitting instruments & associated primary flow elements; turbine, mass-flow & other types, controlling, recording, indicating, & transmitting instruments & associated primary flow elements. Transmitters producing standardized electric or pneumatic analog transmission signals—electrical, electronic & mechanical measuring types. Nuclear radiation detection & monitoring instruments—input-output access. for multichannel analyzers sold separately. Started 1950, imports & distrib. ind. valves & instrumentation, representing large number U.S. companies incl. Mission Mfg. Co., Houston, Tex. (check valves); Bettis Corp., Houston, Tex. (valve actuators); & Inventron Industries Inc., Los Angeles (level controls). Also wholesales plumbing & heating products. Approx. annual sales $20 million, to public utilities, pipeline companies, general mfrs. & wholesalers serving over 1,000 active accounts across Canada. 50 employees, 25 in sales. Electrical service capabilities in W. & E. Canada. Branches in Montreal, Quebec; Calgary & Edmonton, Alberta; & Richmond, B.C. Interested in acquiring exclus. rep. in Canada. To be of any interest, mfr. must have min. sales potential of $100,000 in Canadian market. Co. ref.—Bank of Montreal, Bathurst & Frontenac, Toronto, Ontario.

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Photographic equipment, supplies

3861579 — NETHERLANDS — Microfilm. Estab. 1972, staff 15, auth. capital dfl. 200,000. Bankers—Nederlandsche Middenstandsbank, Rotterdam. Has one subsidiary—Dalosy B.V., located at same address. Represents Ise, Wurtzburg, W. Germany for mini-computers, & Telxon, Houston, Tex. for data entry systems. Recommend transactions on secured basis. Reply to—Mr. A. Springvoled, Mgr., Datalogica B.V., P.O. Box 22036, Jonker Fransstraat 132A, 3003 Da Rotterdam, Netherlands. Telex 41605; tel. 010-141420.

Toys, amusement, sporting goods

3944295—WEST GERMANY—Components for toys. Wishes import cheap standard parts for broad range of toys. Firm is 48 years old, 7 employees. Represents no U.S. firms. Sales volume 1977 $6 million. Sales territory W. Germany. Ref.—La Forestal Internacional SA, 1 Moore St., New York, N.Y. 10004. Reply to—Rolf Lemke, Firma Rudolf Kardel, Adenauerallee 52, 2000 Hamburg 1, Germany. Tel. 040 280 23 41.

Visiting Buyers & Officials

EGYPT—Mohamed Mansour from Alexandria wishes to contact U.S. manufacturers for direct sales of following items: **1) machinery and equipment for gravel and sand quarry such as gravel screening machinery, shovels and bulldozers; 2) dairy products' machinery such as pasteurizers, homogenizers, butter and cheese processing plant machinery.** Representative will visit New York May 25-June 1. For additional information contact Jane Puse, Foreign Buyer Program, Room 2322, U.S. Department of Commerce, Washington, D.C. 20230; 202-377-3265.

PAKISTAN—F. M. Khan and M. Y. Dar want to purchase **steel** job lots about 11,000 tons, comprising 2,000 tons hot-rolled steel plates and sheets (second quality), sizes 24 in. x 72 in. and larger, 3/16-2 in. thick; 1,000 tons cold-rolled steel sheet cuttings, size 24 in. x 60 in. and larger, 16 to 30 gauges; 2,000 tons hot-rolled steel sheets in coils, secondary quality, 24 in. wide, 8-16 gauges; 1000 tons galvanized steel sheets, secondary quality, soft commercial temper, sizes 24 x 60 in. and larger, 20-30 gauges; 5,000 used steel rails, flat bottom, weight 60-120 lbs. per yard, length up to 12 meters. They are also interested in approximately 10,000 tons of stcel scrap, ISIS code #200/201. For further information contact Theresa Rettig, U.S. Department of Commerce, Room 2322, Washington, D.C. 20230; 202-377-3265.

ISRAEL—Zeev Schneidman of Tel Aviv is interested meeting U.S. manufacturers of high quality **linens, towels, table coverings.** Contact Theresa E. Rettig, 202-377-3265.

AUSTRALIA—C. Nuttall of Sydney plans to be in the U.S. in July and is looking for U.S. manufacturers of general mass appeal **posters and prints.** For further information contact Theresa E. Rettig, Project Officer, Foreign Buyer Program, U.S. Department of Commerce, Room 2322, Washington D.C. 20230; 202-377-3265.

MALAWI—Bernard B. Mtawali of Lilongwe is interested in hearing from U.S. manufacturers of **machinery which grades and shells peanuts.** Operation must be such that will minimize damage to nuts. For further information contact Theresa Rettig, 202-377-3265.

AUSTRALIA—A. J. Pataky and W. S. Northcott of Sydney are looking for U.S. manufacturers of **arrows and archery accessories** excluding bows and quivers, **fishing tackle and consumer auto accessories.** Contact Theresa E. Rettig, 202-377-3265.

SWITZERLAND—Dr. H. U. Walser from Bern wants to contact manufacturers of **female disinfecting and antibacterial preparations** including fungicides and trichomonacides. He plans to visit U.S. in the near future. For additional information contact Jane Puse, U.S. Department of Commerce, Foreign Buyer Program, Room 2322, Washington, D.C. 20230; 202-377-3265.

SWEDEN—Fritz and Torbjvern Berglund from Borlaenge are interested in import/agency agreements and are seeking U.S. suppliers of: **a) devices to test for leaks in water pipelines under a pressure of 2-25 kilograms per square centimeter, b) flow and temperature measuring instruments for pipelines and ventilating ducts, c) instruments for measuring noise levels.** Firm is small family-owned importer/agent/distributor and engineering firm which supplies equipment and devices for the maintenance and service of water pipelines. Contact this buyer through Jane Puse, 202-377-3265.

Saudi Arabia Requires Arabic In Correspondence

Saudi Arabia's Council of Ministers has decided to require all foreign companies and their branches and offices operating in the Kingdom to use Arabic in correspondence with all government departments. The Council's resolution stipulates a fine of SR 10,000 ($2,900) for non-compliance. The fine will be doubled for second-time violators and all business will be suspended for one year.

Saudi Arabian regulations have stipulated for some time that all official correspondence with the government must be in Arabic in addition to the foreign language used. Pre-qualification forms for prospective bidders for supplies and contracts have in the past been in Arabic and English. This will be maintained. Nevertheless, letters, telexes and cables to the government must always be in Arabic. Failure to include Arabic translation in any correspondence will result in no reply and exclusion from consideration for the time indicated.

Although only firms based in Saudi Arabia are affected, correspondence from abroad is rarely considered unless it is in the Arabic language. Even U.S.-educated and fluent English-speaking Saudi officials find it difficult to read English-language letters and give first attention to correspondence in Arabic.

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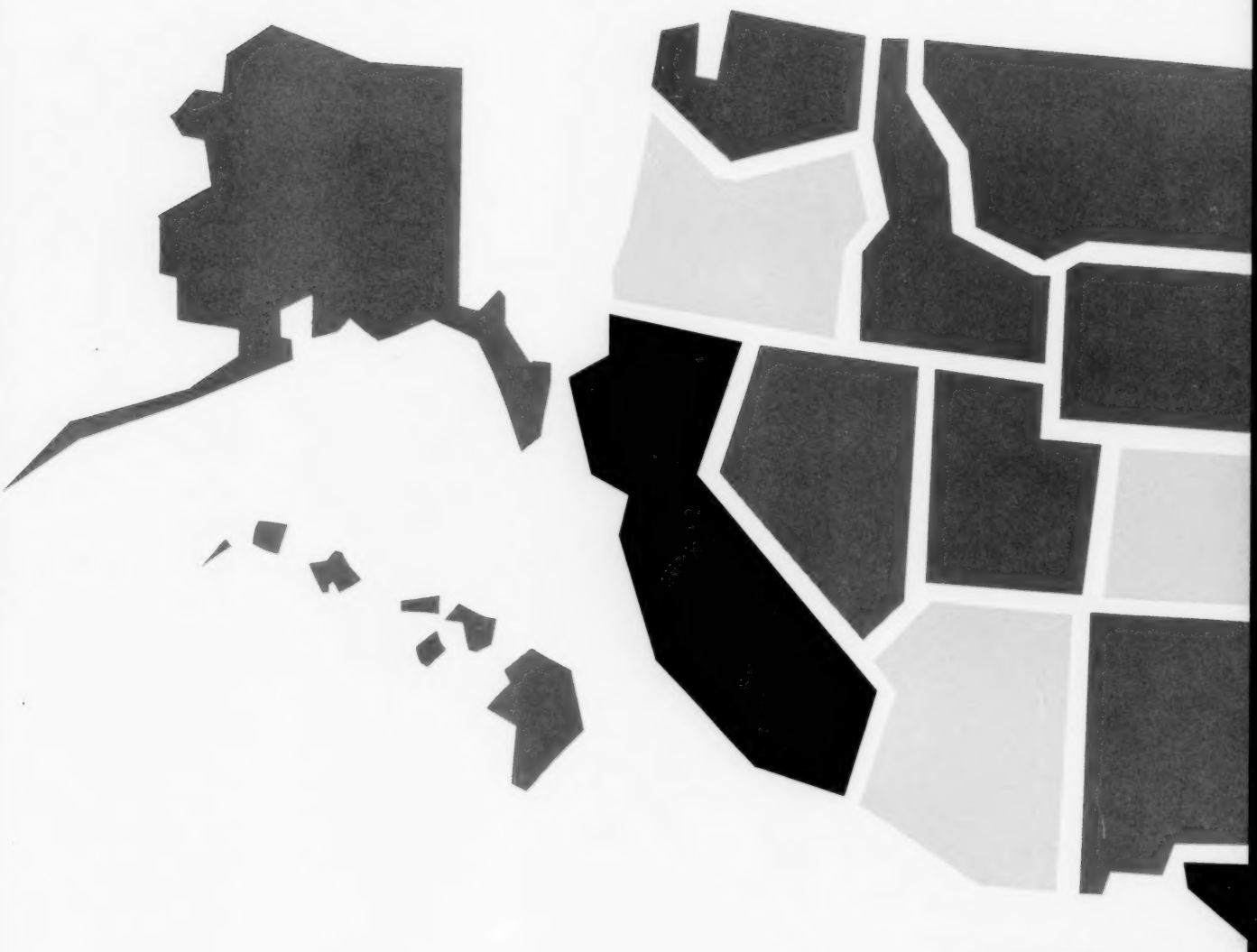

Exports by billions $

- Above 5
- 2—5
- 1—2
- ½—1
- Under ½

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